

COOP

ELECTRIC COOPERATIVES
ANNUAL REPORT
OF THE

RECEIVED
3/26/2020 MB
ARK PUBLIC SERVICE COMM
AUDIT SECTION

NAME North Arkansas Electric Cooperative, Inc.
(Here show in full the exact corporate, firm or individual name of the respondent)

LOCATED AT 225 South Main St, PO Box 1000, Salem AR 72576
(Here give the location, including street and number of the respondent's main business office within the State)

COMPANY # #13
(Here give the APSC-assigned company number)

TO THE

ARKANSAS PUBLIC SERVICE COMMISSION



COVERING ALL OPERATIONS

FOR THE YEAR ENDING DECEMBER 31, 2019

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

LETTER OF TRANSMITTAL

To: Arkansas Public Service Commission
Post Office Box 400
Little Rock, Arkansas 72203-0400

Submitted herewith is the annual report covering the operation of North Arkansas Electric Cooperative, Inc.
(Cooperative)
of 225 South Main St. Salem, AR 72576 for the year ending December 31, 2019. This report is submitted in
(Location)
accordance with Section 51 of Act 324 of the 1935 Acts of Arkansas.
The following report has been carefully examined by me, and I have executed the verification given below.

Mel Coleman
(Signature)

Mel Coleman, CEO
(Title)

.....
VERIFICATION

STATE OF Arkansas
COUNTY OF Fulton

I, the undersigned, Mel Coleman, CEO of the
(Name and Title)

North Arkansas Electric Cooperative, Inc., on my oath do say that the following report has
(Cooperative)

been prepared under my direction from the original books, papers, and records of said utility: that I have carefully examined the same, and declare the same a complete and correct statement of the business and affairs of said utility in respect to each and every matter and thing set forth, to the best of my knowledge, information, and belief; and I further say that no deductions were made before stating the gross revenues, and that accounts and figures contained in the foregoing statements embrace all of the financial transactions for the period in this report.

[Signature]
(Signature)

Subscribed and sworn to before me this 25th
day of March
My Commission Expires 5/10/29

KYLA J. HAWKINS
FULTON COUNTY
NOTARY PUBLIC - ARKANSAS
My Commission Expires 05-10-2029
Commission No. 12370948

Kyla J. Hawkins
(Signature of Notary)

GENERAL INSTRUCTIONS, DEFINITIONS, ETC.

1. Two (2) copies of this report, properly filled out and verified shall be filed with the Utility Division of the Arkansas Public Service Commission, Little Rock, Arkansas, on or before the 31st day of March following the close of the calendar year for which the report is made.
2. This form of annual report is prepared in conformity with the Uniform System of Accounts for Public Utilities prescribed by the Public Service Commission and all accounting words and phrases are to be interpreted in accordance with the said classification.
3. The word "respondent" in the following inquiries means the person, firm, association or company in whose behalf the report is made.
4. Instructions should be carefully observed, and each question should be answered fully and accurately. Where the word "none" truly and completely states the fact, it should be given to any particular inquiry.
5. If any schedule does not apply to the respondent, such fact should be shown on the schedule by the words "not applicable."
6. Except in cases where they are especially authorized, cancellations, arbitrary check marks, and the like must not be used either as partial or entire answers to inquiries.
7. Reports should be made out by means which result in a permanent record. The copy in all cases shall be made out in permanent black ink or with permanent black typewriter ribbon. Entries of a contrary or opposite character (such as decreases reported in a column providing for both increases and decreases) should be shown in red ink or enclosed in parentheses.
8. This report will be scanned in. Please bind with clips only.
9. Answers to inquiries contained in the following forms must be complete. No answer will be accepted as satisfactory which attempts by reference to any paper, document, or return of previous years or other reports, other than the present report, to make the paper or document or portion thereof thus referred to a part of the answer without setting it out. Each report must be complete within itself.
10. In cases where the schedules provided in this report do not contain sufficient space or the information called for, or if it is otherwise necessary or desirable, additional statements or schedules may be inserted for the purpose of further explanation of accounts or schedules. They should be legibly made on paper of durable quality and should conform with this form in size of page and width of margin. This also applies to all special or unusual entries not provided for in this form. Where information called for herein is not given, state fully the reason for its omission.
11. Each respondent is required to send in connection with its report to this Commission's Utilities Division, one (1) copy of its latest annual report to stockholders.
12. Schedules supporting the revenue accounts and furnishing statistics should be so arranged as to effect a division in the operations as to those inside and outside the state.
13. Answers to all inquiries may be in even dollar figures, with cents omitted and with agreeing totals.
14. Each respondent should make its report in duplicate, retaining one copy for its files for reference, in case correspondence with regard to such report becomes necessary. For this reason, several copies of the accompanying forms are sent to each utility company concerned.

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

Give the name, title, office address, telephone number and e-mail address of the person to whom any correspondence concerning this report should be addressed:

Name Julie Haney Title Chief Financial Officer

Address P O Box 1000, Salem, AR 72576

Telephone Number 870-895-6291

E-Mail jhaney@naeci.com

Give the name, address, telephone number and e-mail address of the resident agent:

Name _____ Telephone Number _____

Address _____

E-Mail _____

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

For the purpose of meeting the annual reporting requirements of the Arkansas Public Service Commission, the Electric Cooperatives will file the following forms annually:

1. Pages numbered "General 1-4" and COOP 5-20" provided herein by the Arkansas Public Service Commission.
2. Copies of pages 1 and 2 of RUS Form 7 by month for the calendar year being reported (for AECC file RUS Form 12).
3. Copies of pages 3 through 7, inclusive of RUS Form 7 as filed annually with RUS (for AECC file RUS Form 12).
4. A copy of Form 696, "Statement of Loan Account Transactions", by Quarter for the calendar year being reported (for AECC also file Form 697).
5. If your Cooperative also operates in other states, it is necessary that you also furnish a separate Part E (page 3), RUS Form 7, detailing only Arkansas utility plant information.
6. A copy of your Cooperative's latest Annual Report to Members.

IDENTITY OF RESPONDENT

1. Give the exact name by which respondent was known in law at the close of the year. Use the initial word "The" only when it is part of the name:

North Arkansas Electric Cooperative, Inc.

2. Give the location (including street and number) of (a) the main Arkansas business office of respondent at the close of the year, and (b) if respondent is a foreign corporation, the main business office if not in this state:

(a) (b)
225 South Main Street, Salem AR 72576

3. Indicate by an **x** in the proper space (a) the type of service rendered, and (b) the type of organization under which respondent was operating at the end of the year

(a) (☒) Electric, () Gas, () Water, () Telephone, () Other
(b) () Proprietorship, () Partnership, () Joint Stock Association,
(☒) Corporation, () Other (describe below):

4. If respondent is not a corporation, give (a) date of organization, and (b) name of the proprietor or the names of all partners, and the extent of their respective interest at the close of the year.

(a) N/A
(b)

5. If a corporation, indicate (a) in which state respondent is incorporated, (b) date of incorporation, and (c) designation of the general law under which respondent was incorporated, or, if under special charter, the date of passage of the act:

(a) Arkansas
(b) 3/29/1939
(c) Electric Cooperative Corporation Act

6. State whether or not respondent during the year conducted any part of its business within the State of Arkansas under a name or names other than that shown in response to inquiry No. 1 above, and, if so, give full particulars:

7. State whether respondent is a consolidated or merged company. If so, (a) give date and authority for each consolidation or merger, (b) name all constituent and merged companies, and (c) give like particulars as required of the respondent in inquiry No. 5 above:

(a) N/A

(b)

(c)

8. State whether respondent is a reorganized company. If so, give (a) name of original corporation, (b) date of reorganization, (c) reference to the laws under which it was reorganized and (d) state the occasion of the reorganization, whether because of foreclosure of mortgage or otherwise, giving full particulars.

(a) N/A

(b)

(c)

(d)

9. Was respondent subject to a receivership or other trust at any time during the year? No
If so, state:

(a) Name of receiver or trustee: _____

(b) Name of beneficiary or beneficiaries for whom trust was maintained:

(c) Purpose of the trust: _____

(d) Give (1) date of creation of receivership or other trust, and (2) date of acquisition of respondent: (1) _____ (2) _____

10. Did the respondent act in any of the capacities listed in Paragraph (a) below during the past year? N/A If so,

(a) Indicate the applicable one by an **X** in the proper space:

() Guarantor, () Surety, () Principal--obligor to a surety contract,
() Principal--obligor to a guaranty contract.

(b) Insert a statement showing the character, extent, and terms of the primary agreement or obligation, including (1) names of all parties involved, (2) extent of liability of respondent, whether contingent or actual, (3) extent of liabilities of the other parties, whether contingent or actual, and (4) security taken or offered by respondent.

DIRECTORS AND COMPENSATION

Give the name and office addresses of all directors at the close of the year, dates of beginning and expiration of terms, and total compensation (including payments and cost of other benefits, such as health insurance, etc. and excluding any reimbursements for business travel). Chairman (*) and Secretary (**) marked by asterisks.

Item No.	Name of Director	Office Address	Date of Term		Compensation
			Beginning	End	
1	Larry Goodwin	PO Box 1000, Salem AR 72576	6/1/15	6/1/20	\$43,196
2	Dennis Wiles	PO Box 1000, Salem AR 72576	6/1/15	6/1/20	\$25,486
3	Cameron Davis	PO Box 1000, Salem AR 72576	6/1/16	6/1/22	\$44,092
4	Michael Dover *	PO Box 1000, Salem AR 72576	6/1/17	6/1/23	\$28,311
5	Jasper Freeman	PO Box 1000, Salem AR 72576	6/1/16	6/1/22	\$42,329
6	Jim Short	PO Box 1000, Salem AR 72576	6/1/16	6/1/21	\$33,956
7	Steve Hall	PO Box 1000, Salem AR 72576	6/1/18	6/1/24	\$19,980
8	Sonya Beckwith	PO Box 1000, Salem AR 72576	6/1/19	6/1/25	\$34,821
9	Beth Carter**	PO Box 1000, Salem AR 72576	6/1/18	6/1/24	\$31,428

PRINCIPAL OFFICERS AND KEY MANAGEMENT PERSONNEL

Give the title of the principal officers, managers and key personnel, the names and office addresses of persons holding such positions at the close of the year, and the annual salary of each.

Item No.	Title	Name of person holding office at close of year	Office Address	Annual Salary
1	CEO	Mel Coleman	PO Box 1000 Salem, AR	\$321,995
2	Operations Manager	James Woody	PO Box 1000 Salem, AR	\$146,417
3	Manager of Engineering	Jason Strong	PO Box 1000 Salem, AR	\$144,948
4	Manager of Member Services	Leah Rouse	PO Box 1000 Salem, AR	\$129,948
5	Manager of Human Resources	Lacey Johnson	PO Box 1000 Salem, AR	\$126,951
6	Manager of IT	Jim Blackmon	PO Box 1000 Salem, AR	\$130,102
7	Chief Financial Officer	Julie Haney	PO Box 1000 Salem, AR	\$136,677
	TOTAL			\$ 1,137,038

ELECTRIC OPERATING REVENUES -- ARKANSAS				
Acct. No.	Account	Average Number of Consumers	Number of Kilowatt Hours	Revenue
	SALES OF ELECTRIC ENERGY			
440	Residential Sales	34,266	415,250,060	\$ 47,344,893
441	Irrigation Sales			
442.1	Com'l & Ind (1000 kVA or less)	2,428	95,828,937	9,506,403
442.2	Com'l & Ind (Over 1000 kVA)	8	98,474,463	7,197,459
444	Public Street & highway lighting	19	972,906	163,067
445	Other sales to public authorities	301	8,527,629	847,428
446	Sales to railroads and railways			
447	Sales for resale			
448	Interdepartmental sales			
	Total Electric Energy Sales	37,022	619,053,995	\$ 65,059,250
	OTHER ELECTRIC REVENUES	Gross Revenue	Expenses	Net Revenue
450	Customers' forfeited discounts and penalties			\$ -
451	Miscellaneous service revenues	243,193		243,193
453	Sale of water and water power			-
454	Rent from electric property	898,630		898,630
455	Interdepartmental rents	774,825		774,825
456	Other electric revenue			-
	Total Other Electric Revenues	1,916,648	-	\$ 1,916,648
TOTAL OPERATING REVENUES--ARKANSAS		66,975,898		
ELECTRIC OPERATING REVENUES -- SYSTEM				
Acct. No.	Account	Average Number of Consumers	Number of Kilowatt Hours	Revenue
	SALES OF ELECTRIC ENERGY			
440	Residential Sales	SAME	AS	ARKANSAS
441	Irrigation Sales			
442.1	Com'l & Ind (1000 kVA or less)			
442.2	Com'l & Ind (Over 1000 kVA)			
444	Public Street & highway lighting			
445	Other sales to public authorities			
446	Sales to railroads and railways			
447	Sales for resale			
448	Interdepartmental sales			
	Total Electric Energy Sales	-	-	\$ -
	OTHER ELECTRIC REVENUES	Gross Revenue	Expenses	Net Revenue
450	Customers' forfeited discounts and penalties			\$ -
451	Miscellaneous service revenues			-
453	Sale of water and water power			-
454	Rent from electric property			-
455	Interdepartmental rents			-
456	Other electric revenue			-
	Total Other Electric Revenues	-	-	\$ -
TOTAL OPERATING REVENUES--SYSTEM		\$ -		

SCHEDULE OF CFC AND OTHER NOTE ISSUES						
Identification Number	Date Issued	Amount of Issue	Interest Rate	Maturity Date	Amount Outstanding At End of Year	Deferral Notes
9021	02/28/92	\$3,923,158	6.70%	03/01/25	\$1,229,760	
9022001	04/17/98	\$4,000,000	7.00%	05/31/30	\$2,143,832	
9022002	02/04/99	\$2,142,000	6.80%	05/31/30	\$1,195,322	
9024004	10/26/16	\$1,590,888	2.95%	02/29/20	\$402,190	
9024005	10/26/16	\$1,638,218	3.20%	02/28/21	\$1,638,218	
9024006	10/26/16	\$1,689,214	3.30%	02/28/22	\$1,689,214	
9024007	10/26/16	\$1,743,110	3.35%	02/28/23	\$1,743,110	
9024008	10/26/16	\$1,122,393	3.40%	02/29/24	\$1,122,393	
9024009	10/26/16	\$1,118,559	3.45%	02/28/25	\$1,118,559	
9024010	10/26/16	\$1,155,693	3.50%	02/28/26	\$1,155,693	
9024010	10/26/16	\$331,187	3.55%	02/28/27	\$331,187	
Totals		\$20,454,420			\$13,769,478	
Customer Deposits					Amount	
					System	Arkansas
Balance Beginning of Year.....					\$1,282,209	Same
Credits:					\$254,150	as System
Debits: (Account Credited & Amount)					(\$190,430)	
Balance at End of Year.....					\$ 1,345,929	\$ -
Indicate Amount of Interest Paid to Customers During the Calendar Year @ 0.6% Interest.					\$4,626	

In the spaces provided below please furnish brief descriptions of all construction projects associated with long-term debt (referenced by loan numbers or loan designations) shown on Notes page and/or all RUS loans, classified as follows:

- A. Construction projects active during calendar year currently being reported in association with with either previous long-term debt or new loans obtained during calendar year currently being reported.

SEE ATTACHED

- B. Projected construction projects in association with either previous long-term debt or new loans obtained during calendar year currently being reported.

SUMMARY OF TOTAL LOAN FUNDS OF ALLOCATED BUDGET AVAILABLE

DATE	INV #	1	101-102	103	104	305-382	403	602	603	604	605	606	607	608	609	610	611	615	702	1104	TOTAL
JAN	981		95,438.53		18,017.53			17,267.45	4,777.94			56,327.80	44,565.58					48,736.68	39,256.68		324,588.19
FEB	982		137,394.42		15,381.25			6,401.32				72,550.93	17,248.87					138,520.25	15,377.09		380,807.75
MAR	983		200,232.15	1,182.69	10,301.97	2,431.36		21,201.10				193,695.85	47,555.60					126,543.64	3,945.98		604,658.98
APRIL	984		286,667.76		12,621.39			43,974.48				60,015.92	8,388.97					855,788.69	14,051.00		1,462,792.68
MAY	985		163,199.47		1,909.95			21,640.76	1,603.91			120,927.90	35,804.02					129,521.79	18,292.09		492,929.89
JUNE	986	726.55	112,342.94		6,260.95			39,227.12				132,618.54	6,475.90					549,776.61	9,537.04		856,965.65
JULY	987		217,633.43		8,830.93			20,678.08				233,926.20	19,132.27					122,585.98	18,805.98		669,707.20
AUG	988	1,038.81	172,438.54		13,586.51	146,533.94		15,238.27	4,199.24		3,623.85	76,427.88	22,133.44	28,114.33				172,421.81	15,384.45		649,837.41
SEPT	989	554.51	78,537.15		3,777.04			26,739.65	706.34		2,339.81	197,774.41	62,978.20	741.74				1,337,021.38	13,784.31		1,724,954.54
OCT	990	(178.23)	179,497.69		12,915.98			27,044.36	3,037.56	5,515.93	2,777.48	232,781.27	35,371.74	1,433.34				998,826.55	16,427.38		1,515,451.05
NOV	991		100,820.83		9,009.96			17,385.85	5,696.23			192,461.33	39,024.13	5,176.11				838,785.65	10,819.27		1,219,779.36
DEC	992		143,780.55	7,558.19	22,978.27			20,037.37				169,727.66	24,799.07	123,748.83				1,189,094.63	7,473.41		1,709,397.98
TOTALS		2,141.64	1,887,983.46	8,840.88	135,591.73	148,965.30		276,825.81	20,021.22	5,515.93	8,741.14	1,739,439.69	338,981.05	347,314.49	-	-	-	6,507,653.66	183,154.68	-	11,611,170.68

OPERATING EXPENSES					
Note: If your Cooperative also operates in other states and allocates certain expenses to Arkansas operations, please explain allocation method(s) used for those expenses, e.g. % plant, number of customers, revenues, or other basis in space provided at bottom of report.					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	1. POWER PRODUCTION EXPENSES				
	# Steam Power Generation				
	Operation:				
500	Operation Supervision and Engineering	N O N E			\$ -
501	Fuel				-
502	Steam Expenses				-
503	Steam From Other Sources				-
504	Steam Transferred - Credit				-
505	Electric Expenses				-
506	Miscellaneous Steam Power Expenses				-
507	Rents				-
	Total Operation	\$ -	\$ -	\$ -	\$ -
	Maintenance:				
510	Maintenance Supervision and Engineering	N O N E			\$ -
511	Maintenance of Structures				-
512	Maintenance of Boiler Plant				-
513	Maintenance of Electric Plant				-
514	Maintenance of Miscellaneous Steam Plant				-
	Total Maintenance	\$ -	\$ -	\$ -	\$ -
	Total Steam Power Generation	\$ -	\$ -	\$ -	\$ -
	Nuclear Power Generation				
	Operation:				
517	Operation Supervision and Engineering	N O N E			\$ -
518	Nuclear Fuel Expense				-
519	Coolants and Water				-
520	Steam Expenses				-
521	Steam From Other Sources				-
522	Steam Transferred - Credit				-
523	Electric Expenses				-
524	Miscellaneous Nuclear Power Expenses				-
525	Rents				-
	Total Operation	\$ -	\$ -	\$ -	\$ -
	Maintenance:				
528	Maintenance Supervision and Engineering	N O N E			\$ -
529	Maintenance of Structures				-
530	Maintenance of Reactor Plant Equipment				-
531	Maintenance of Electric Plant				-
532	Maintenance of Miscellaneous Nuclear Plant				-
	Total Maintenance	\$ -	\$ -	\$ -	\$ -
	Total Nuclear Power Generation	\$ -	\$ -	\$ -	\$ -

OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	Hydraulic Power Generation				
	Operation:				
535	Operation Supervision and Engineering	N			\$ -
536	Water for Power	O			-
537	Hydraulic Expenses	N			-
538	Electric Expenses	E			-
539	Miscellaneous Hydraulic Power Expenses				-
540	Rents				-
	Total Operation	\$ -	\$ -	\$ -	\$ -
	Maintenance:				
541	Maintenance Supervision and Engineering	N			\$ -
542	Maintenance of Structures	O			-
543	Maint. of Reservoirs, Dams & Waterways	N			-
544	Maintenance of Electric Plant	E			-
545	Maintenance of Misc. Hydraulic Plant				-
	Total Maintenance	\$ -	\$ -	\$ -	\$ -
	Total Hydraulic Power Generation	\$ -	\$ -	\$ -	\$ -
	Other Power Generation				
	Operation:				
546	Operation Supervision and Engineering	N			\$ -
547	Fuel	O			-
548	Generation Expenses	N			-
549	Misc. Other Power Generation Expenses	E			-
550	Rents				-
	Total Operation	\$ -	\$ -	\$ -	\$ -
	Maintenance:				
551	Maintenance Supervision and Engineering	N			\$ -
552	Maintenance of Structures	O			-
553	Maint. of Generation and Electric Plant	N			-
554	Maint. of Misc. Other Power Gen. Plant	E			-
	Total Maintenance	\$ -	\$ -	\$ -	\$ -
	Total Other Power Generation	\$ -	\$ -	\$ -	\$ -
	Other Power Supply Expenses				
555	Purchased Power		\$ 32,543,628		\$ 32,543,628
556	System Control and Load Dispatching				-
557	Other Expenses				-
	Total Other Power Supply Expenses	\$ -	\$ 32,543,628	\$ -	\$ 32,543,628
	TOTAL POWER PRODUCTION EXPENSES	\$ -	\$ 32,543,628	\$ -	\$ 32,543,628

OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	2. TRANSMISSION EXPENSES				
	Operation:	All			
560	Operation Supervision and Engineering	Arkansas			\$ -
561	Load Dispatching				-
562	Station Expenses		\$ 5,602		5,602
563	Overhead Line Expenses		\$ 48,319		48,319
564	Underground Line Expenses				-
565	Transmission of Electricity by Others				-
566	Miscellaneous Transmission Expenses				-
567	Rents				-
	Total Operation	\$ -	\$ 53,921	\$ -	\$ 53,921
	Maintenance:				
568	Maintenance Supervision and Engineering				-
569	Maintenance of Structures				-
570	Maint. of Station Equipment		\$ 759		759
571	Maintenance of Overhead Lines		\$ 6,544		6,544
572	Maintenance of Underground Lines				-
573	Maintenance of Misc. Transmission Plant				-
	Total Maintenance	\$ -	\$ 7,303	\$ -	\$ 7,303
	TOTAL TRANSMISSION EXPENSES	\$ -	\$ 61,224	\$ -	\$ 61,224
	3. DISTRIBUTION EXPENSES				
	Operation:				
580	Operation Supervision and Engineering		\$ 262,380		\$ 262,380
581	Load Dispatching				-
582	Station Expenses		\$ 182,601		182,601
583	Overhead Line Expenses		\$ 2,591,995		2,591,995
584	Underground Line Expenses		\$ 296,636		296,636
585	Street Lighting and Signal System Expenses		\$ 1,749		1,749
586	Meter Expenses		\$ 153,661		153,661
587	Customer Installations Expenses		\$ 82,513		82,513
588	Miscellaneous Distribution Expenses		\$ 270,726		270,726
589	Rents				-
	Total Operation	\$ -	\$ 3,842,261	\$ -	\$ 3,842,261
	Maintenance:				
590	Maintenance Supervision and Engineering		\$ 586,396		\$ 586,396
591	Maintenance of Structures				-
592	Maint. of Station Equipment		\$ 350,631		350,631
593	Maintenance of Overhead Lines		\$ 5,000,351		5,000,351
594	Maintenance of Underground Lines		\$ 226,139		226,139
595	Maintenance of Line Transformers		\$ 168,285		168,285
596	Maint. of street Lighting and Signal System		\$ 45,544		45,544
597	Maintenance of Meters		\$ 151,444		151,444
598	Maintenance of Misc. Distribution Plant		\$ 447,764		447,764
	Total Maintenance	\$ -	\$ 6,976,554	\$ -	\$ 6,976,554
	TOTAL DISTRIBUTION EXPENSES	\$ -	\$ 10,818,815	\$ -	\$ 10,818,815

OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	4. CUSTOMER ACCOUNTS EXPENSES	ALL			
901	Supervision	ARK-	\$ 176,954		\$ 176,954
902	Meter Reading Expenses	ANSAS	\$ 51,125		51,125
903	Customer Records and Collection Expenses		\$ 2,441,375		2,441,375
904	Uncollectible Accounts		\$ 177,281		177,281
905	Misc. Customer Accounts Expenses		\$ 24,904		24,904
	TOTAL CUSTOMER ACCTS EXPENSES	\$ -	\$ 2,871,639	\$ -	\$ 2,871,639
	5. CUSTOMER SERVICE & INFO EXPENSES				
907	Supervision		\$ 147,330		\$ 147,330
908	Customer Assistance Expenses		\$ 218,129		218,129
909	Informational & Instructional Advertising Exp		\$ 90,098		90,098
910	Misc. Customer Service & Informational Exp		\$ 219,708		219,708
	TOTAL CUST SERV & INFO EXPENSES	\$ -	\$ 675,265	\$ -	\$ 675,265
	6. SALES EXPENSES	NONE			
911	Supervision				\$ -
912	Demonstrating & Selling Expenses				-
913	Advertising Expenses				-
914	Revenues from Mercandising, Jobbing, and Contract Work (Cr.)				-
915	Costs & Expenses of Merchandising, Jobbing and Contract Work				-
916	Miscellaneous Sales Expenses				-
	TOTAL SALES EXPENSES	\$ -	\$ -	\$ -	\$ -
	7. ADMINISTRATIVE & GENERAL EXPENSES				
	Operation:				
920	Administrative and General Salaries		\$ 1,668,796		\$ 1,668,796
921	Office Supplies and Expenses		\$ 199,192		199,192
922	Administrative Expenses Transferred (Cr.)				-
923	Outside Services Employed		\$ 130,975		130,975
924	Property Insurance				-
925	Injuries and Damages				-
926	Employee Pensions and Benefits				-
927	Franchise Requirements				-
928	Regulatory Commission Expenses		\$ 131,885		131,885
929	Duplicate Charges (Cr.)		\$ (64,148)		(64,148)
930	Miscellaneous General Expenses		\$ 1,874,540		1,874,540
	Total Operation	\$ -	\$ 3,941,240	\$ -	\$ 3,941,240
	Maintenance:				
935	Maintenance of General Plant		\$ 465,661		465,661
	TOTAL ADM & GENERAL EXPENSES	\$ -	\$ 4,406,901	\$ -	\$ 4,406,901

OPERATING EXPENSES					
Account Number	Account	Total System	ARKANSAS		
			Direct	Allocated	Total
	8. DEPRECIATION & AMORTIZATION EXP				
	Depreciation:	ALL			\$ -
403.1	Depr. Exp. - Steam Production Plant	ARKANSAS			-
403.2	Depr. Exp. - Nuclear Production Plant				-
403.3	Depr. Exp. - Hydraulic Production Plant				-
403.4	Depr. Exp. - Other Production Plant				-
403.5	Depr. Exp. - Transmission Plant		\$ 331,963		331,963
403.6	Depr. Exp. - Distribution Plant		\$ 6,128,384		6,128,384
403.7	Depr. Exp. - General Plant		\$ 944,886		944,886
	Total Depreciation Expense	\$ -	\$ 7,405,233	\$ -	\$ 7,405,233
	Amortization:				
404	Amort. of Limited-Term Electric Plant				\$ -
405	Amort. of Other Electric Plant				-
406	Amort. of Electric Plant Acquisition Adjs.				-
407	Amort. of Property Losses				-
	Total Amortization	\$ -	\$ -	\$ -	\$ -
	TOTAL DEPR. & AMORTIZATION EXPS.	\$ -	\$ 7,405,233	\$ -	\$ 7,405,233
	TOTAL OPERATING EXPENSES (EXCLUDING TAXES & INTEREST)	\$ -	\$ 58,782,705	\$ -	\$ 58,782,705
Explain Allocation Methods used:					
Explain any unusual items included above:					

Name of Cooperative <u>North Arkansas Electric</u>		Time Period <u>01/01/20 to 12/31/24</u>		
FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897 -- ELECTRIC UTILITIES --				
1. Provide the following information relating to generating plants, both existing and proposed, (and associated fuel supply and other facilities) with a capacity of 50 MW or more to be used to supply system demands during the next five (5) calendar years:				
(a & b) Name & Location of Plant	Date		(e) Plant Ownership	
	(c) Const. Beg.	(d) Plant in Service Date	% Owned	Other Owners (if Applicable)
NONE				

Name of Cooperative North Arkansas Electric CoTime Period 01/01/20 to 12/31**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897
-- ELECTRIC UTILITIES --**

1. Continued

(f) Plant Capacity (MW)	(g) % Plant Capacity Available to Meet Firm Demands	(h) Plant Type	(i) Fuel Type	(j) Net Heat Rate	(k) Cost of Plant	(l) Plant Cost Per KW Capacity

Name of Cooperative North Arkansas Electric Cooperative, I Time Period 01/01/20 to 12/31/21

FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897
-- ELECTRIC UTILITIES --

2. Provide the following information relating to electric transmission lines (and associated facilities including substations) of a design voltage of 100 KV or more extending more than 10 miles and /or of 170 KV or more extending 1 mile to be used to supply system demands during the next two (2) calendar years:

(a) Line Size	(b) Line Distance	(c) Route of Line	(d) Purpose of Line	(e) Cost of Line	(k) Cost of Plant	Substations	
						(f) Number	(g) Location
NONE							

Name of Cooperative North Arkansas Electric Cooperat Time Period 01/01/20 to 12/31/21

FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897
-- ELECTRIC UTILITIES --

2. Continued

(h) Date Const. Began/Begins	(i) Date to be Placed in Service	Line Ownership	
		(j)	
		% Owned	Other Owners (if applicable)

Name of Cooperative <u>North Arkansas Electric Cooper</u> Time Period <u>01/01/20 to 12/31/21</u>					
FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897 -- ELECTRIC UTILITIES --					
3. Provide by consumer classes (include residential or domestic sales, commercial sales, industrial sales, public street and highway lighting sales, other sales to public authorities, sales or resale, interdepartmental sales) forecasts of the following for the next two (2) calendar years:					
Year	(a) Customer Class	(b) Avg. No. of Customers	(c) Sales Kwh	(d) System Peak Demand (kw)	(e) Non-Coincidental Peak Demand (kw)
2020	Residential & Public Bldgs	34,526	433,070,052		
	Small Commercial	2,434	99,343,237		
	Large Commercial	8	104,913,195		
	Other	318	11,151,573		
	Total	37,286	648,478,057	144,171	158,588
2021	Residential & Public Bldgs	34,876	435,856,781		
	Small Commercial	2,446	99,832,920		
	Large Commercial	8	106,571,553		
	Other	318	11,168,470		
	Total	37,648	653,429,724	145,272	159,799

Name of Cooperative <u>North Arkansas Electric Cooperati</u> Time Period <u>01/01/20 to 12/31/21</u>		
FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897 -- ELECTRIC UTILITIES --		
3. Continued		
(f) Average Annual Load factor (Based on System Peak Demand)	(g) Average Annual Load factor (Based on Non-Coincidental Peak Demand)	(h) % Line Losses
51	47	7.23%
51	47	7.23%

Name of Cooperative North Arkansas Electric Cooperat Time Period 01/01/20 to 12/31/21

FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897
-- ELECTRIC UTILITIES --

4. Provide forecasts of the following for the next two (2) calendar years in kilowatts (beginning January 1):

Year	(a) System Peak Demand	(b) Power Sources to Meet System Peak Demand ¹	(c) Reserves (Average System & at System Peak)
2020	144,171	Ark Elec Coop Corp	<p align="center">Note: Generation capacity reserve should be supplied by AECC for accuracy.</p>
2021	145,272	Ark Elec Coop Corp	

¹ To include self-owned generating capability identified by plant, firm and non-firm purchases identified by contract.

Name of Cooperative North Arkansas Electric CooperatTime Period 01/01/20 to 12/31/21**FUTURE SALES, LOADS, & RESOURCES PER DOCKET NO. U-2897
-- ELECTRIC UTILITIES --**

5. Describe methodology used in forecasts in sufficient detail to allow replication by a third party. Include graphs and formulae if appropriate.

Reference Number 3 a - h.

N/A

Reference Number 4a and 4c.

Forecast for Section 3 and 4 was prepared by using the most recent Power Requirement Study provided by Arkansas Electric Cooperative Corporation and approved by RUS. Information provided used the Power Requirement Study midrange estimates, assumed System Demand for normal weather and the Non-Coincidental Demand is for severe weather.

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

CHECK LIST

Company Name North Arkansas Electric Cooperative, Inc.

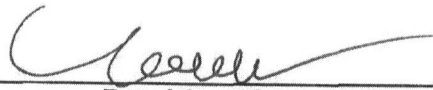
Instructions: In the spaces provided, please enter the appropriate amounts from the Annual Report to the APSC and the year-end RUS Form 7. Any differences should be fully explained. Any differences between ending figures from last year's annual report and beginning balances in this year's annual report should be fully explained.

Description	Annual Report Amount	RUS Form 7 Amount	Difference
Total Operating Revenue - System	66975898	66975898	
Operating Expenses - System (Excluding Taxes and Interest)	58782705	58782705	
Total Power Production Expense	32543628	32543628	
Total Transmission Expense	61224	61224	
Total Distribution - Operation Expense	3842261	3842261	
Total Distribution - Maintenance Expense	6976554	6976554	
Total Customer Accounts Expense	2871639	2871639	
Total Customer Service and Informational Expense	675265	675265	
Total Sales Expense			
Total Administrative and General Expense	\$ 4,406,901	4406901	
Total Depreciation and Amortization Expense	7405233	7405233	

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

STATEMENT OF ACCURACY

I do hereby state that the amounts contained in this report are true and accurate, schedules have been cross-referenced by use of the attached check list, and that the accuracy of all totals has been verified by me or under my supervision. Should I or anyone under my supervision become aware of any error in or omission from this report, I will take steps to notify the Arkansas Public Service Commission of such error or omission and provide corrected schedules as soon as possible.



President/General Manager

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

COMPANY CONTACTS

Company Information	
Company Name	North Arkansas Electric Cooperative, Inc.
dba	
Official Mailing Address	PO Box 1000 Salem, AR 72576
Mailing Address for APSC Annual Assessment Invoice	PO Box 1000 Salem, AR 72576

AREA	PERSON TO CONTACT	PHONE #	FAX #	E-MAIL
Annual Report	Julie Haney	870-895-6291	870-895-6279	jhaney@naeci.com
APSC Annual Assessment	Julie Haney	870-895-6291	870-895-6279	jhaney@naeci.com
Fuel Adjustment Report	Julie Haney	870-895-6291	870-895-6279	jhaney@naeci.com
Cost of Debt Report	Julie Haney	870-895-6291	870-895-6279	jhaney@naeci.com
Tariffs	Mel Coleman	870-895-6217	870-895-6241	mcoleman@naeci.com
Accounting	Julie Haney	870-895-6291	870-895-6279	jhaney@naeci.com
Rates	Mel Coleman	870-895-6217	870-895-6279	mcoleman@naeci.com
Engineering	Jason Strong	870-895-6253	870-895-6254	jstrong@naeci.com
Finance	Mel Coleman	870-895-6217	870-895-6241	mcoleman@naeci.com
Income Taxes	N/A			
Property Taxes	Julie Haney	870-895-6291	870-895-6279	jhaney@naeci.com
Gas Supply	N/A			
Legal	Mel Coleman	870-895-6217	870-895-6241	mcoleman@naeci.com
Data Processing	Jim Blackmon	870-895-6238	870-895-6279	jblackmon@naeci.com

Please list the number of utility employees located in Arkansas

116 .

REPORT TO ARKANSAS PUBLIC SERVICE COMMISSION

PRINTING INSTRUCTIONS
Electric Cooperatives

In order for the page numbers in the Excel file to print properly, group select to open all of the General worksheets together and print all together, then ungroup the General sheets. Group and print all of the industry specific pages together, then ungroup. Group and print all of the remaining pages together, then ungroup. (Before entering any data, be sure that the worksheets have all been ungrouped.)

Assemble and bind the completed report in sequence presented in the file (shown below).

Sequence	Sheet Name	Page No.
1	Cover Sheet	
2	Letter of Transmittal	
3	General Instructions	General 1
4	Report Contact	
5	Filing Instructions	
6	Identity	General 2-3
7	D&O	General 4
8	Revenues	Coop 5
9	CFC Notes	Coop 6
10	Construction Projects	Coop 7
11	Expenses	Coop 8-12
12	Future Sales, Load and Resources	Coop 13-20
13	Check List	
14	Statement of Accuracy	
15	Company Contacts	
	Printing Instructions	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 15 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

**FINANCIAL AND OPERATING REPORT
ELECTRIC DISTRIBUTION**

BORROWER DESIGNATION AR0026

PERIOD ENDED December 2019

BORROWER NAME North Arkansas Electric Cooperative, Inc.

INSTRUCTIONS - See help in the online application.

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report

Melvin Coleman

3/18/2020

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	69,922,500	66,975,898	68,687,894	5,685,994
2. Power Production Expense		0	0	0
3. Cost of Purchased Power	34,908,894	32,543,628	35,316,044	2,867,635
4. Transmission Expense	63,494	61,224	70,191	5,300
5. Regional Market Expense		0	0	0
6. Distribution Expense - Operation	3,927,106	3,842,261	3,643,363	272,772
7. Distribution Expense - Maintenance	6,994,249	6,976,554	7,443,168	629,190
8. Customer Accounts Expense	2,788,291	2,871,639	3,136,449	253,721
9. Customer Service and Informational Expense	657,083	675,265	756,048	28,839
10. Sales Expense		0	0	0
11. Administrative and General Expense	4,570,877	4,406,901	5,312,930	228,316
12. Total Operation & Maintenance Expense (2 thru 11)	53,909,994	51,377,472	55,678,193	4,285,773
13. Depreciation and Amortization Expense	7,145,865	7,405,233	7,685,857	633,018
14. Tax Expense - Property & Gross Receipts		0	0	0
15. Tax Expense - Other		0	0	0
16. Interest on Long-Term Debt	4,656,284	4,516,469	4,550,000	376,808
17. Interest Charged to Construction - Credit		0	0	0
18. Interest Expense - Other	(12,747)	978,411	2,250	971,121
19. Other Deductions	1,639	3,279	1,500	0
20. Total Cost of Electric Service (12 thru 19)	65,701,035	64,280,864	67,917,800	6,266,720
21. Patronage Capital & Operating Margins (1 minus 20)	4,221,465	2,695,034	770,094	(580,726)
22. Non Operating Margins - Interest	2,021,827	1,871,413	1,651,493	950,773
23. Allowance for Funds Used During Construction		0	0	0
24. Income (Loss) from Equity Investments	(645,384)	(469,089)	714,116	80,130
25. Non Operating Margins - Other	168,598	172,676	58,935	26,186
26. Generation and Transmission Capital Credits	947,674	508,100	1,000,000	508,100
27. Other Capital Credits and Patronage Dividends	232,818	186,023	183,500	0
28. Extraordinary Items		0	0	0
29. Patronage Capital or Margins (21 thru 28)	6,946,998	4,964,157	4,378,138	984,463

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2019		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	474	497	5. Miles Transmission	146.50	146.50
2. Services Retired	14	17	6. Miles Distribution – Overhead	4,424.56	4,429.20
3. Total Services in Place	45,640	46,120	7. Miles Distribution - Underground	421.58	432.01
4. Idle Services (Exclude Seasonals)	9,107	9,340	8. Total Miles Energized (5 + 6 + 7)	4,992.64	5,007.71
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	266,135,644		30. Memberships	708,460	
2. Construction Work in Progress	10,785,893		31. Patronage Capital	90,377,323	
3. Total Utility Plant (1 + 2)	276,921,537		32. Operating Margins - Prior Years	0	
4. Accum. Provision for Depreciation and Amort.	94,609,329		33. Operating Margins - Current Year	3,389,155	
5. Net Utility Plant (3 - 4)	182,312,208		34. Non-Operating Margins	1,575,002	
6. Non-Utility Property (Net)	3,000		35. Other Margins and Equities	316,367	
7. Investments in Subsidiary Companies	544,242		36. Total Margins & Equities (30 thru 35)	96,366,307	
8. Invest. in Assoc. Org. - Patronage Capital	25,154,772		37. Long-Term Debt - RUS (Net)	0	
9. Invest. in Assoc. Org. - Other - General Funds	0		38. Long-Term Debt - FFB - RUS Guaranteed	95,174,921	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,358,234		39. Long-Term Debt - Other - RUS Guaranteed	0	
11. Investments in Economic Development Projects	0		40. Long-Term Debt Other (Net)	11,702,354	
12. Other Investments	1,497,759		41. Long-Term Debt - RUS - Econ. Devel. (Net)	0	
13. Special Funds	0		42. Payments – Unapplied	0	
14. Total Other Property & Investments (6 thru 13)	28,558,007		43. Total Long-Term Debt (37 thru 41 - 42)	106,877,275	
15. Cash - General Funds	721,827		44. Obligations Under Capital Leases - Noncurrent	773,792	
16. Cash - Construction Funds - Trustee	1		45. Accumulated Operating Provisions and Asset Retirement Obligations	25,953,132	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	26,726,924	
18. Temporary Investments	19,403,966		47. Notes Payable	0	
19. Notes Receivable (Net)	0		48. Accounts Payable	5,815,812	
20. Accounts Receivable - Sales of Energy (Net)	6,465,010		49. Consumers Deposits	1,345,930	
21. Accounts Receivable - Other (Net)	4,896,269		50. Current Maturities Long-Term Debt	6,060,298	
22. Renewable Energy Credits	0		51. Current Maturities Long-Term Debt - Economic Development	0	
23. Materials and Supplies - Electric & Other	3,301,373		52. Current Maturities Capital Leases	0	
24. Prepayments	67,077		53. Other Current and Accrued Liabilities	4,962,410	
25. Other Current and Accrued Assets	425,972		54. Total Current & Accrued Liabilities (47 thru 53)	18,184,450	
26. Total Current and Accrued Assets (15 thru 25)	35,281,890		55. Regulatory Liabilities	0	
27. Regulatory Assets	0		56. Other Deferred Credits	2,505,615	
28. Other Deferred Debits	4,508,466		57. Total Liabilities and Other Credits (36 + 43 + 46 + 54 thru 56)	250,660,571	
29. Total Assets and Other Debits (5+14+26 thru 28)	250,660,571				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR0026
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019
PART D. NOTES TO FINANCIAL STATEMENTS	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR0026
INSTRUCTIONS - See help in the online application.	PERIOD ENDED December 2019
PART D. CERTIFICATION LOAN DEFAULT NOTES	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION AR0026			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				PERIOD ENDED December 2019			
INSTRUCTIONS - See help in the online application.							
PART E. CHANGES IN UTILITY PLANT							
PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFERS (d)	BALANCE END OF YEAR (e)		
1. Distribution Plant	208,338,133	7,392,018	2,485,823	0	213,244,328		
2. General Plant	22,540,075	7,304,363	577,437	0	29,267,001		
3. Headquarters Plant	10,484,279	154,136	0	0	10,638,415		
4. Intangibles	0	0	0	0	0		
5. Transmission Plant	12,813,686	172,214	0	0	12,985,900		
6. Regional Transmission and Market Operation Plant		0	0	0	0		
7. All Other Utility Plant	0	0	0	0	0		
8. Total Utility Plant in Service (1 thru 7)	254,176,173	15,022,731	3,063,260	0	266,135,644		
9. Construction Work in Progress	2,637,196	8,148,697			10,785,893		
10. Total Utility Plant (8 + 9)	256,813,369	23,171,428	3,063,260	0	276,921,537		
PART F. MATERIALS AND SUPPLIES							
ITEM	BALANCE BEGINNING OF YEAR (a)	PURCHASED (b)	SALVAGED (c)	USED (NET) (d)	SOLD (e)	ADJUSTMENT (f)	BALANCE END OF YEAR (g)
1. Electric	1,921,195	3,802,093	178	2,627,535	13,042	48,960	3,131,849
2. Other	112,051	480,203	0	389,949	32,264	(517)	169,524
PART G. SERVICE INTERRUPTIONS							
ITEM	AVERAGE MINUTES PER CONSUMER BY CAUSE					TOTAL (e)	
	POWER SUPPLIER (a)	MAJOR EVENT (b)	PLANNED (c)	ALL OTHER (d)			
1. Present Year	47.140	32.950	10.260	210.840	301.190		
2. Five-Year Average	15.740	95.280	12.850	188.400	312.270		
PART H. EMPLOYEE-HOUR AND PAYROLL STATISTICS							
1. Number of Full Time Employees	116	4. Payroll - Expensed	5,272,545				
2. Employee - Hours Worked - Regular Time	262,910	5. Payroll - Capitalized	2,031,900				
3. Employee - Hours Worked - Overtime	10,115	6. Payroll - Other	1,806,230				
PART I. PATRONAGE CAPITAL							
ITEM	DESCRIPTION		THIS YEAR (a)	CUMULATIVE (b)			
1. Capital Credits - Distributions	a. General Retirements		3,071,437	32,099,427			
	b. Special Retirements		0	7,463,788			
	c. Total Retirements (a + b)		3,071,437	39,563,215			
2. Capital Credits - Received	a. Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power		1,289,860				
	b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System		65,576				
	c. Total Cash Received (a + b)		1,355,436				
PART J. DUE FROM CONSUMERS FOR ELECTRIC SERVICE							
1. Amount Due Over 60 Days	\$	108,830	2. Amount Written Off During Year	\$	148,286		
ENERGY EFFICIENCY AND CONSERVATION LOAN PROGRAM							
1. Anticipated Loan Delinquency %	0	4. Anticipated Loan Default %	0				
2. Actual Loan Delinquency %	0	5. Actual Loan Default %	0				
3. Total Loan Delinquency Dollars YTD	\$	0	6. Total Loan Default Dollars YTD	\$	0		

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION					BORROWER DESIGNATION AR0026				
INSTRUCTIONS - See help in the online application					PERIOD ENDED December 2019				
PART K. kWh PURCHASED AND TOTAL COST									
No	ITEM	SUPPLIER CODE	RENEWABLE ENERGY PROGRAM NAME	RENEWABLE FUEL TYPE	kWh PURCHASED	TOTAL COST	AVERAGE COST (Cents/kWh)	INCLUDED IN TOTAL COST - FUEL COST ADJUSTMENT	INCLUDED IN TOTAL COST - WHEELING AND OTHER CHARGES
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Arkansas Electric Coop Corp (AR0034)	807			662,778,276	32,543,628	4.91	5,633,488	(4,068,649)
	Total				662,778,276	32,543,628	4.91	5,633,488	(4,068,649)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AR0026	
INSTRUCTIONS - See help in the online application		PERIOD ENDED December 2019	
PART K. kWh PURCHASED AND TOTAL COST			
No	Comments		
1			

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AR0026	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2019	
PART L. LONG-TERM LEASES			
No	NAME OF LESSOR (a)	TYPE OF PROPERTY (b)	RENTAL THIS YEAR (c)
1	Altec Capital Services, LLC	Multiple Trucks	11,275
2	Terex Financial Services, Inc.	Truck	26,593
	TOTAL		37,868

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		BORROWER DESIGNATION AR0026	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED December 2019	
PART M. ANNUAL MEETING AND BOARD DATA			
1. Date of Last Annual Meeting 6/6/2019	2. Total Number of Members 29,035	3. Number of Members Present at Meeting 1,381	4. Was Quorum Present? Y
5. Number of Members Voting by Proxy or Mail 0	6. Total Number of Board Members 9	7. Total Amount of Fees and Expenses for Board Members \$ 393,822	8. Does Manager Have Written Contract? N

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application.			PERIOD ENDED December 2019		
PART N. LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS					
No	ITEM	BALANCE END OF YEAR (a)	INTEREST (Billed This Year) (b)	PRINCIPAL (Billed This Year) (c)	TOTAL (Billed This Year) (d)
1	Rural Utilities Service (Excludes RUS - Economic Development Loans)	0	0	0	0
2	National Rural Utilities Cooperative Finance Corporation	11,702,354	625,132	2,073,441	2,698,573
3	CoBank, ACB	0	0	0	0
4	Federal Financing Bank	95,174,921	2,925,520	2,316,397	5,241,917
5	RUS - Economic Development Loans				
6	Payments Unapplied				
7	Principal Payments Received from Ultimate Recipients of IRP Loans				
8	Principal Payments Received from Ultimate Recipients of REDL Loans				
9	Principal Payments Received from Ultimate Recipients of EE Loans				
10	Long-Term Leases	773,792	2,088	37,868	39,956
	TOTAL	107,651,067	3,552,740	4,427,706	7,980,446

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AR0026		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION		PERIOD ENDED December 2019		
INSTRUCTIONS - See help in the online application.				
PART O. POWER REQUIREMENTS DATABASE - ANNUAL SUMMARY				
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	DECEMBER (a)	AVERAGE NO. CONSUMERS SERVED (b)	TOTAL YEAR TO DATE (c)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	34,309	34,266	
	b. kWh Sold			415,250,060
	c. Revenue			47,344,893
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
3. Irrigation Sales	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,420	2,428	
	b. kWh Sold			95,828,937
	c. Revenue			9,506,403
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	8	8	
	b. kWh Sold			98,474,463
	c. Revenue			7,197,459
6. Public Street & Highway Lighting	a. No. Consumers Served	19	19	
	b. kWh Sold			972,906
	c. Revenue			163,067
7. Other Sales to Public Authorities	a. No. Consumers Served	302	301	
	b. kWh Sold			8,527,629
	c. Revenue			847,428
8. Sales for Resale - RUS Borrowers	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
9. Sales for Resale - Other	a. No. Consumers Served	0	0	
	b. kWh Sold			0
	c. Revenue			0
10.	Total No. of Consumers (lines 1a thru 9a)	37,058	37,022	
11.	Total kWh Sold (lines 1b thru 9b)			619,053,995
12.	Total Revenue Received From Sales of Electric Energy (lines 1c thru 9c)			65,059,250
13.	Transmission Revenue			0
14.	Other Electric Revenue			1,916,648
15.	kWh - Own Use			1,249,968
16.	Total kWh Purchased			662,778,276
17.	Total kWh Generated			0
18.	Cost of Purchases and Generation			32,604,852
19.	Interchange - kWh - Net			0
20.	Peak - Sum All kW Input (Metered) Non-coincident <input checked="" type="checkbox"/> Coincident <input type="checkbox"/>			161,681

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION				BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application.				PERIOD ENDED December 2019		
PART P. ENERGY EFFICIENCY PROGRAMS						
CLASSIFICATION	ADDED THIS YEAR			TOTAL TO DATE		
	No. of Consumers (a)	Amount Invested (b)	Estimated MMBTU Savings (c)	No. of Consumers (d)	Amount Invested (e)	Estimated MMBTU Savings (f)
1. Residential Sales (excluding seasonal)	369	13,838	939	2,520	94,501	8,078
2. Residential Sales - Seasonal						
3. Irrigation Sales						
4. Comm. and Ind. 1000 KVA or Less						
5. Comm. and Ind. Over 1000 KVA						
6. Public Street and Highway Lighting						
7. Other Sales to Public Authorities						
8. Sales for Resale – RUS Borrowers						
9. Sales for Resale – Other						
10. Total	369	13,838	939	2,520	94,501	8,078

RUS Financial and Operating Report Electric Distribution

Revision Date 2014

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE			BORROWER DESIGNATION AR0026		
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS			PERIOD ENDED December 2019		
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION I. INVESTMENTS (See Instructions for definitions of Income or Loss)					
No	DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (\$) (d)	RURAL DEVELOPMENT (e)
1	Non-Utility Property (NET)				
	Lot in Subdivision	3,000			
	Totals	3,000			
2	Investments in Associated Organizations				
	AECC Patronage Capital		22,111,852		
	AECI Patronage Capital	1,809,631			
	CFC Patronage Capital	643,256			
	CFC Capital Term Certificates		1,354,834	58,389	
	NRUCFC Membership		1,000		
	ECECC Membership	1,000			
	AECC Membership	100			
	AECI Membership	100			
	NRTC Membership	1,000			
	NRTC Patronage Capital	35,318			
	NCSC Membership	100			
	Federated Rural Electric Equity Fund	419,282			
	SEDC Membership	100			
	SEDC Capital Credits	135,433			
	Investment in Subsidiary	544,242			
	Totals	3,589,562	23,467,686	58,389	
4	Other Investments				
	ERC (Energy Resource Loans)	1,504,663		47,389	X
	ERC Provision for Uncollectible	(6,904)			
	Totals	1,497,759		47,389	
6	Cash - General				
	Bank of Salem	256,546	254,575		
	Arvest		114,929		
	First National Banking Company		34,436		
	Farmers & Merchant Bank		61,341		
	Totals	256,546	465,281		
7	Special Deposits				
	Water & Sewer Deposits	395			
	Totals	395			
8	Temporary Investments				
	AECC Line of Credit	8,893,692			
	AECI Line of Credit	510,273			
	CFC Select Notes		10,000,000		
	Totals	9,403,965	10,000,000		
9	Accounts and Notes Receivable - NET				
	Accounts Receivable - Other	399,526			
	Accounts Receivable - Computer & Fitness Loans	1,397			
	Accounts Receivable - FEMA/ADEM	1,347,261			
	Provision for Uncollectible Accounts Rec. Other	(125,449)			
	Accounts Receivable - ERC Loans	40,377			
	Note Due from Subsidiary	3,233,157			
	Totals	4,896,269			
11	TOTAL INVESTMENTS (1 thru 10)	19,647,496	33,932,967	105,778	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AR0026			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
PART Q. SECTION II. LOAN GUARANTEES					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
	TOTAL				
	TOTAL (Included Loan Guarantees Only)				

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION AR0026			
FINANCIAL AND OPERATING REPORT ELECTRIC DISTRIBUTION INVESTMENTS, LOAN GUARANTEES AND LOANS		PERIOD ENDED December 2019			
INSTRUCTIONS - Reporting of investments is required by 7 CFR 1717, Subpart N. Investment categories reported on this Part correspond to Balance Sheet items in Part C. Identify all investments in Rural Development with an 'X' in column (e). Both 'Included' and 'Excluded' Investments must be reported. See help in the online application.					
SECTION III. RATIO					
RATIO OF INVESTMENTS AND LOAN GUARANTEES TO UTILITY PLANT [Total of Included Investments (Section I, 11b) and Loan Guarantees - Loan Balance (Section II, 5d) to Total Utility Plant (Line 3, Part C) of this report]					7.10 %
SECTION IV. LOANS					
No	ORGANIZATION (a)	MATURITY DATE (b)	ORIGINAL AMOUNT (\$) (c)	LOAN BALANCE (\$) (d)	RURAL DEVELOPMENT (e)
1	Employees, Officers, Directors		184,372	115,696	
2	Energy Resources Conservation Loans		2,464,429	1,504,663	X
	TOTAL		2,648,801	1,620,359	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026
	PERIOD ENDED November 30, 2019
	BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576
INSTRUCTIONS - See help in the online application	

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(Check one of the following)



All of the obligations under the RUS loan documents have been fulfilled in all material respects.



There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

PART A: STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	63,835,045	61,289,904	62,228,070	5,105,706
2. Power Production Expense				
3. Cost of Purchased Power	32,050,304	29,675,993	31,739,568	2,341,253
4. Transmission Expense	58,673	55,924	64,923	7,066
5. Regional Market Expense				
6. Distribution Expense - Operation	3,633,473	3,569,489	3,402,051	433,403
7. Distribution Expense - Maintenance	5,968,249	6,347,364	6,495,311	507,091
8. Customer Accounts Expense	2,535,655	2,617,918	2,874,720	227,605
9. Customer Service and Informational Expense	603,094	646,426	702,981	64,897
10. Sales Expense				
11. Administrative and General Expense	4,152,422	4,178,667	4,850,003	365,003
12. Total Operation & Maintenance Expense (2 thru 11)	49,001,870	47,091,781	50,129,557	3,946,318
13. Depreciation and Amortization Expense	6,495,718	6,772,215	7,010,183	628,457
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	4,275,337	4,139,661	4,166,527	365,481
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	5,971	7,290	2,062	615
19. Other Deductions	1,639	3,279	1,500	
20. Total Cost of Electric Service (12 thru 18)	59,780,535	58,014,226	61,309,829	4,940,871
21. Patronage Capital & Operating Margins (1 minus 20)	4,054,510	3,275,678	918,241	164,835
22. Non Operating Margins - Interest	1,134,915	920,640	821,132	56,727
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(467,803)	(549,219)	635,602	37,902
25. Non Operating Margins - Other	87,874	146,490	221,025	15,005
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	232,818	186,023	183,500	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	5,042,314	3,979,612	2,779,500	274,469

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application			PERIOD ENDED November 30, 2019		
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	412	454	5. Miles Transmission	146.50	146.50
2. Services Retired	14	17	6. Miles Distribution Overhead	4,424.34	4,428.37
3. Total Services in Place	45,578	46,077	7. Miles Distribution Underground	421.03	430.75
4. Idle Services (Exclude Seasonal)	9,050	9,330	8. Total Miles Energized (5 + 6 + 7)	4,991.87	5,005.62
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	264,034,867		30. Memberships	708,260	
2. Construction Work in Progress	10,381,659		31. Patronage Capital	90,377,323	
3. Total Utility Plant (1 plus 2)	274,416,526		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	94,082,508		33. Operating Margins - Current Year	3,461,699	
5. Net Utility Plant (3 minus 4)	180,334,018		34. Non Operating Margins	517,913	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	4,232,387	
7. Investment in Subsidiary Companies	(313,342)		36. Total Margins & Equities (30 thru 35)	99,297,582	
8. Investment in Assoc Org-Patronage Capital	26,004,716		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	99,168,094	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,234		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	13,769,479	
12. Other Investments	1,500,380		41. Long-Term Debt-RUS-Econ. Devel (Net)		
13. Special Funds			42. Payments Unapplied		
14. Total Other Property & Investments (6 thru 13)	28,552,988		43. Total Long-Term Debt (37 thru 41-42)	112,937,573	
15. Cash-General Funds	888,797		44. Obligations Under Capital Leases	337,496	
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,968,634	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	22,306,130	
18. Temporary Investments	19,074,661		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	4,756,860	
20. Accounts Receivable-Net Sales of Energy	5,166,994		49. Consumers Deposits	1,336,224	
21. Accounts Receivable - Net Other	5,556,374		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,795,373		52. Current Maturities Capital Leases		
24. Prepayments	93,925		53. Other Current & Accrued Liabilities	4,632,373	
25. Other Current and Accrued Assets	734,706		54. Total Current & Accrued Liabilities(47 thru 53)	10,725,457	
26. Total Current & Accrued Assets (15 thru 25)	34,311,226		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,503,401	
28. Other Deferred Debits	4,571,911		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	247,770,143	
29. Total Assets & Other Debits (5+14+26 thru 28)	247,770,143				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">October 31, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)				
CERTIFICATION We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001. We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII (Check one of the following)				
<input checked="checked" type="checkbox"/>	All of the obligations under the RUS loan documents have been fulfilled in all material respects.			
<input type="checkbox"/>	There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.			
_____ DATE				
PART A: STATEMENT OF OPERATIONS				
ITEM	LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	BUDGET (c)	THIS MONTH
1. Operating Revenue and Patronage Capital	58,638,264	56,184,198	56,999,548	5,097,006
2. Power Production Expense				
3. Cost of Purchased Power	29,624,796	27,334,740	28,863,922	2,686,133
4. Transmission Expense	53,169	48,858	58,833	4,627
5. Regional Market Expense				
6. Distribution Expense - Operation	3,270,556	3,136,086	3,062,189	334,646
7. Distribution Expense - Maintenance	5,294,687	5,840,273	5,760,800	552,668
8. Customer Accounts Expense	2,392,444	2,390,313	2,712,359	236,705
9. Customer Service and Informational Expense	582,986	581,529	679,543	42,195
10. Sales Expense				
11. Administrative and General Expense	3,893,265	3,813,664	4,539,869	303,545
12. Total Operation & Maintenance Expense (2 thru 11)	45,111,903	43,145,463	45,677,515	4,160,519
13. Depreciation and Amortization Expense	5,897,886	6,143,758	6,336,401	625,213
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	3,892,071	3,774,180	3,793,015	377,896
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	5,678	6,675	1,875	778
19. Other Deductions	1,639	3,279	1,500	
20. Total Cost of Electric Service (12 thru 18)	54,909,177	53,073,355	55,810,306	5,164,406
21. Patronage Capital & Operating Margins (1 minus 20)	3,729,087	3,110,843	1,189,242	(67,400)
22. Non Operating Margins - Interest	1,025,203	863,913	741,890	62,550
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(390,276)	(587,121)	557,088	51,595
25. Non Operating Margins - Other	93,435	131,485	213,165	11,896
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	232,818	186,023	183,500	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	4,690,267	3,705,143	2,884,885	58,641

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application			PERIOD ENDED October 31, 2019		

PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE			ITEM	YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	371	422	5. Miles Transmission	146.50	146.50
2. Services Retired	12	16	6. Miles Distribution Overhead	4,423.98	4,427.94
3. Total Services in Place	45,539	46,046	7. Miles Distribution Underground	419.93	430.55
4. Idle Services (Exclude Seasonal)	9,000	9,295	8. Total Miles Energized (5 + 6 + 7)	4,990.41	5,004.99

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	262,661,461	30. Memberships	709,430
2. Construction Work in Progress	9,995,115	31. Patronage Capital	93,448,761
3. Total Utility Plant (1 plus 2)	272,656,576	32. Operating Margins - Prior Years	
4. Accum. Provision for Depreciation and Amort.	93,609,605	33. Operating Margins - Current Year	3,296,865
5. Net Utility Plant (3 minus 4)	179,046,971	34. Non Operating Margins	408,278
6. Non-Utility Property - Net	3,000	35. Other Margins and Equities	3,954,004
7. Investment in Subsidiary Companies	(351,244)	36. Total Margins & Equities (30 thru 35)	101,817,338
8. Investment in Assoc Org-Patronage Capital	26,004,716	37. Long-Term Debt-RUS (Net)	
9. Investment in Assoc. Org.-Other-General Funds		38. Long-Term Debt-FFB-RUS Guaranteed	99,168,094
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,234	39. Long-Term Debt-Other-RUS Guaranteed	
11. Investments in Economic Development Projects		40. Long-Term Debt Other (Net)	14,274,758
12. Other Investments	1,454,659	41. Long-Term Debt-RUS-Econ. Devel.(Net)	
13. Special Funds		42. Payments Unapplied	
14. Total Other Property & Investments (6 thru 13)	28,469,365	43. Total Long-Term Debt (37 thru 41-42)	113,442,852
15. Cash-General Funds	616,696	44. Obligations Under Capital Leases	208,710
16. Cash - Construction Funds-Trustee	1	45. Accumulated Operating Provisions	21,894,989
17. Special Deposits	395	46. Total Other Noncurrent Liabilities (44 + 45)	22,103,699
18. Temporary Investments	22,640,262	47. Notes Payable	
19. Notes Receivable-Net		48. Accounts Payable	4,170,328
20. Accounts Receivable-Net Sales of Energy	5,276,759	49. Consumers Deposits	1,334,245
21. Accounts Receivable - Net Other	5,848,404	50. Current Maturities Long-Term Debt	
22. Renewable Energy Credits		51. Current Maturities Long-Term Debt- Economic Development	
23. Materials Supplies-Electric and Other	2,880,563	52. Current Maturities Capital Leases	
24. Prepayments	120,774	53. Other Current & Accrued Liabilities	4,404,921
25. Other Current and Accrued Assets	556,293	54. Total Current & Accrued Liabilities(47 thru 53)	9,909,494
26. Total Current & Accrued Assets (15 thru 25)	37,940,147	55. Regulatory Liabilities	
27. Regulatory Assets		56. Other Deferred Credits	2,249,834
28. Other Deferred Debits	4,066,734	57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	249,523,217
29. Total Assets & Other Debits (5+14+26 thru 28)	249,523,217		

SECTION D. NOTES TO FINANCIAL STATEMENTS	
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)	

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED September 30, 2019 <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)				
CERTIFICATION				
We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.				
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.				
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII				
(Check one of the following)				
<input checked="checked" type="checkbox"/>	All of the obligations under the RUS loan documents have been fulfilled in all material respects.			
<input type="checkbox"/>	There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.			
_____ DATE _____				
PART A: STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	53,934,312	51,087,192	52,287,715	5,811,373
2. Power Production Expense				
3. Cost of Purchased Power	27,167,436	24,648,607	26,204,450	2,762,202
4. Transmission Expense	48,848	44,231	54,052	5,239
5. Regional Market Expense				
6. Distribution Expense - Operation	2,955,506	2,801,440	2,767,137	375,474
7. Distribution Expense - Maintenance	4,702,042	5,287,605	5,114,124	583,635
8. Customer Accounts Expense	2,138,935	2,153,608	2,424,951	273,256
9. Customer Service and Informational Expense	525,217	539,334	612,206	69,909
10. Sales Expense				
11. Administrative and General Expense	3,491,597	3,510,119	4,065,137	328,486
12. Total Operation & Maintenance Expense (2 thru 11)	41,029,581	38,984,944	41,242,057	4,398,201
13. Depreciation and Amortization Expense	5,300,379	5,518,545	5,664,145	620,844
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	3,500,561	3,396,284	3,411,469	358,118
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	5,380	5,897	1,687	616
19. Other Deductions	1,639	3,279	1,500	3,279
20. Total Cost of Electric Service (12 thru 18)	49,837,540	47,908,949	50,320,858	5,381,058
21. Patronage Capital & Operating Margins (1 minus 20)	4,096,772	3,178,243	1,966,857	430,315
22. Non Operating Margins - Interest	913,799	801,363	661,459	71,793
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(370,369)	(638,717)	478,574	41,847
25. Non Operating Margins - Other	92,426	119,589	199,879	23,072
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	232,818	186,023	183,500	125,139
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	4,965,446	3,646,501	3,490,269	692,166

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application			PERIOD ENDED September 30, 2019		
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	326	364	5. Miles Transmission	146.50	146.50
2. Services Retired	9	14	6. Miles Distribution Overhead	4,423.50	4,427.09
3. Total Services in Place	45,497	45,990	7. Miles Distribution Underground	418.91	429.53
4. Idle Services (Exclude Seasonal)	8,958	9,256	8. Total Miles Energized (5 + 6 + 7)	4,988.91	5,003.12
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	261,016,714		30. Memberships	708,825	
2. Construction Work in Progress	8,426,748		31. Patronage Capital	93,448,761	
3. Total Utility Plant (1 plus 2)	269,443,462		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	93,239,337		33. Operating Margins - Current Year	3,364,265	
5. Net Utility Plant (3 minus 4)	176,204,125		34. Non Operating Margins	282,237	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	3,954,078	
7. Investment in Subsidiary Companies	(402,839)		36. Total Margins & Equities (30 thru 35)	101,758,166	
8. Investment in Assoc Org-Patronage Capital	26,004,716		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	99,168,094	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,234		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	14,274,758	
12. Other Investments	1,468,665		41. Long-Term Debt-RUS-Econ. Devel (Net)		
13. Special Funds			42. Payments Unapplied		
14. Total Other Property & Investments (6 thru 13)	28,431,776		43. Total Long-Term Debt (37 thru 41-42)	113,442,852	
15. Cash-General Funds	634,629		44. Obligations Under Capital Leases	212,505	
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,821,548	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	22,034,053	
18. Temporary Investments	23,955,662		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	4,399,718	
20. Accounts Receivable-Net Sales of Energy	6,806,223		49. Consumers Deposits	1,340,324	
21. Accounts Receivable - Net Other	5,693,072		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,569,134		52. Current Maturities Capital Leases		
24. Prepayments	147,623		53. Other Current & Accrued Liabilities	3,938,467	
25. Other Current and Accrued Assets	278,729		54. Total Current & Accrued Liabilities(47 thru 53)	9,678,509	
26. Total Current & Accrued Assets (15 thru 25)	40,085,468		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,266,241	
28. Other Deferred Debits	4,458,452		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	249,179,821	
29. Total Assets & Other Debits (5+14+26 thru 28)	249,179,821				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">August 31, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)				
CERTIFICATION				
We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.				
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.				
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII				
(Check one of the following)				
<input checked="checked" type="checkbox"/>	All of the obligations under the RUS loan documents have been fulfilled in all material respects.			
<input type="checkbox"/>	There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.			
_____ DATE				
PART A: STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	48,348,445	45,275,819	46,753,753	6,271,709
2. Power Production Expense				
3. Cost of Purchased Power	24,446,369	21,886,405	23,356,328	2,870,155
4. Transmission Expense	42,961	38,992	47,537	5,273
5. Regional Market Expense				
6. Distribution Expense - Operation	2,635,454	2,425,966	2,467,403	327,608
7. Distribution Expense - Maintenance	4,083,850	4,703,970	4,439,717	545,545
8. Customer Accounts Expense	1,895,403	1,880,352	2,148,854	223,900
9. Customer Service and Informational Expense	466,695	469,425	543,991	63,535
10. Sales Expense				
11. Administrative and General Expense	3,212,679	3,181,633	3,732,180	469,828
12. Total Operation & Maintenance Expense (2 thru 11)	36,783,411	34,586,743	36,736,010	4,505,844
13. Depreciation and Amortization Expense	4,680,277	4,897,701	4,993,916	616,223
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	3,129,650	3,038,166	3,049,998	380,990
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	5,091	5,281	1,500	718
19. Other Deductions	1,639		1,500	
20. Total Cost of Electric Service (12 thru 18)	44,600,068	42,527,891	44,782,924	5,503,775
21. Patronage Capital & Operating Margins (1 minus 20)	3,748,377	2,747,928	1,970,829	767,934
22. Non Operating Margins - Interest	807,061	729,570	584,307	79,055
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(325,496)	(680,564)	400,060	49,449
25. Non Operating Margins - Other	94,186	96,517	188,653	14,314
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	143,080	60,884	112,771	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	4,467,208	2,954,335	3,256,620	910,752

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026 PERIOD ENDED August 31, 2019		
INSTRUCTIONS - See help in the online application					
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	289	332	5. Miles Transmission	146.50	146.50
2. Services Retired	9	14	6. Miles Distribution Overhead	4,423.07	4,427.30
3. Total Services in Place	45,460	45,958	7. Miles Distribution Underground	417.62	429.04
4. Idle Services (Exclude Seasonal)	8,930	9,243	8. Total Miles Energized (5 + 6 + 7)	4,987.19	5,002.84
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	259,312,057		30. Memberships	708,560	
2. Construction Work in Progress	8,153,419		31. Patronage Capital	93,448,761	
3. Total Utility Plant (1 plus 2)	267,465,476		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	92,788,252		33. Operating Margins - Current Year	2,808,810	
5. Net Utility Plant (3 minus 4)	174,677,224		34. Non Operating Margins	145,524	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	3,954,079	
7. Investment in Subsidiary Companies	(444,687)		36. Total Margins & Equities (30 thru 35)	101,065,734	
8. Investment in Assoc Org-Patronage Capital	25,958,205		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	99,947,714	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,234		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	14,274,758	
12. Other Investments	1,475,301		41. Long-Term Debt-RUS-Econ. Devel.(Net)		
13. Special Funds			42. Payments Unapplied	305,698	
14. Total Other Property & Investments (6 thru 13)	28,350,053		43. Total Long-Term Debt (37 thru 41-42)	113,916,774	
15. Cash-General Funds	1,038,442		44. Obligations Under Capital Leases	216,299	
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,759,671	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,975,970	
18. Temporary Investments	24,998,727		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	4,095,974	
20. Accounts Receivable-Net Sales of Energy	6,678,440		49. Consumers Deposits	1,337,069	
21. Accounts Receivable - Net Other	5,624,669		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,570,528		52. Current Maturities Capital Leases		
24. Prepayments	174,471		53. Other Current & Accrued Liabilities	4,677,924	
25. Other Current and Accrued Assets	698,312		54. Total Current & Accrued Liabilities(47 thru 53)	10,110,967	
26. Total Current & Accrued Assets (15 thru 25)	41,783,985		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,263,016	
28. Other Deferred Debits	4,521,199		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	249,332,461	
29. Total Assets & Other Debits (5+14+26 thru 28)	249,332,461				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.					
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">July 31, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)				
CERTIFICATION				
<p>We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.</p> <p>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</p> <p style="text-align: center;">ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII</p> <p style="text-align: center;">(Check one of the following)</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <input checked="checked" type="checkbox"/> <p>All of the obligations under the RUS loan documents have been fulfilled in all material respects.</p> </div> <div style="text-align: center;"> <input type="checkbox"/> <p>There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.</p> </div> </div>				
_____ DATE				
PART A: STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	41,983,026	39,004,110	40,490,990	6,071,034
2. Power Production Expense				
3. Cost of Purchased Power	21,456,747	19,016,250	20,277,899	2,413,359
4. Transmission Expense	38,747	33,719	42,875	5,280
5. Regional Market Expense				
6. Distribution Expense - Operation	2,301,040	2,098,358	2,154,224	390,334
7. Distribution Expense - Maintenance	3,583,513	4,158,425	3,893,242	541,862
8. Customer Accounts Expense	1,653,497	1,656,452	1,874,601	222,746
9. Customer Service and Informational Expense	407,170	405,890	474,607	50,393
10. Sales Expense				
11. Administrative and General Expense	2,756,940	2,711,805	3,195,000	326,261
12. Total Operation & Maintenance Expense (2 thru 11)	32,197,654	30,080,899	31,912,448	3,950,235
13. Depreciation and Amortization Expense	4,087,008	4,281,478	4,325,602	615,797
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	2,734,944	2,657,176	2,665,338	382,099
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	4,799	4,563	1,312	683
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 18)	39,024,405	37,024,116	38,904,700	4,948,814
21. Patronage Capital & Operating Margins (1 minus 2)	2,958,621	1,979,994	1,586,290	1,122,220
22. Non Operating Margins - Interest	699,947	650,515	506,891	83,221
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(283,016)	(730,013)	321,546	54,204
25. Non Operating Margins - Other	95,128	82,203	176,137	12,472
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	77,503	60,884	61,085	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	3,548,183	2,043,583	2,651,949	1,272,117

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026 PERIOD ENDED July 31, 2019		
INSTRUCTIONS - See help in the online application					
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	246	280	5. Miles Transmission	146.50	146.50
2. Services Retired	9	12	6. Miles Distribution Overhead	4,422.22	4,427.46
3. Total Services in Place	45,417	45,908	7. Miles Distribution Underground	416.43	427.34
4. Idle Services (Exclude Seasonal)	8,896	9,243	8. Total Miles Energized (5 + 6 + 7)	4,985.15	5,001.30
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	259,233,959		30. Memberships	707,203	
2. Construction Work in Progress	7,330,107		31. Patronage Capital	93,448,761	
3. Total Utility Plant (1 plus 2)	266,564,066		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	92,853,034		33. Operating Margins - Current Year	2,040,877	
5. Net Utility Plant (3 minus 4)	173,711,032		34. Non Operating Margins	2,706	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	3,955,279	
7. Investment in Subsidiary Companies	(494,136)		36. Total Margins & Equities (30 thru 35)	100,154,826	
8. Investment in Assoc Org-Patronage Capital	25,958,205		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	99,947,714	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,234		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	14,775,501	
12. Other Investments	1,485,875		41. Long-Term Debt-RUS-Econ. Devel.(Net)		
13. Special Funds			42. Payments Unapplied	305,698	
14. Total Other Property & Investments (6 thru 13)	28,311,178		43. Total Long-Term Debt (37 thru 41-42)	114,417,517	
15. Cash-General Funds	723,093		44. Obligations Under Capital Leases	220,094	
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,686,943	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,907,037	
18. Temporary Investments	25,938,217		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	4,532,089	
20. Accounts Receivable-Net Sales of Energy	6,767,945		49. Consumers Deposits	1,317,709	
21. Accounts Receivable - Net Other	5,480,826		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,677,954		52. Current Maturities Capital Leases		
24. Prepayments	201,320		53. Other Current & Accrued Liabilities	4,384,901	
25. Other Current and Accrued Assets	511,889		54. Total Current & Accrued Liabilities(47 thru 53)	10,234,699	
26. Total Current & Accrued Assets (15 thru 25)	42,301,640		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,269,524	
28. Other Deferred Debits	4,659,753		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	248,983,603	
29. Total Assets & Other Debits (5+14+26 thru 28)	248,983,603				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">June 30, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)				
CERTIFICATION				
<p>We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.</p> <p>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</p> <p>ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII</p> <p style="text-align: center;">(Check one of the following)</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <input checked="checked" type="checkbox"/> <p>All of the obligations under the RUS loan documents have been fulfilled in all material respects.</p> </div> <div style="text-align: center;"> <input type="checkbox"/> <p>There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.</p> </div> </div>				
DATE _____				
PART A: STATEMENT OF OPERATIONS				
ITEM	LAST YEAR (a)	YEAR-TO-DATE THIS YEAR (b)	BUDGET (c)	THIS MONTH
1. Operating Revenue and Patronage Capital	35,443,138	32,933,076	33,984,504	5,446,983
2. Power Production Expense				
3. Cost of Purchased Power	18,656,525	16,602,891	17,169,646	2,413,403
4. Transmission Expense	33,003	28,439	36,519	4,787
5. Regional Market Expense				
6. Distribution Expense - Operation	1,926,568	1,708,024	1,803,544	356,814
7. Distribution Expense - Maintenance	3,055,520	3,616,563	3,316,745	698,666
8. Customer Accounts Expense	1,417,145	1,433,706	1,606,644	233,859
9. Customer Service and Informational Expense	347,116	355,497	404,607	55,531
10. Sales Expense				
11. Administrative and General Expense	2,386,727	2,385,544	2,756,600	515,739
12. Total Operation & Maintenance Expense (2 thru 11)	27,822,604	26,130,664	27,094,305	4,278,799
13. Depreciation and Amortization Expense	3,495,231	3,665,681	3,658,814	616,574
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	2,339,627	2,275,077	2,280,081	372,804
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	4,408	3,880	1,125	602
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 18)	33,661,870	32,075,302	33,034,325	5,268,779
21. Patronage Capital & Operating Margins (1 minus 20)	1,781,268	857,774	950,179	178,204
22. Non Operating Margins - Interest	593,901	567,294	430,224	88,958
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(244,985)	(784,217)	243,032	24,682
25. Non Operating Margins - Other	100,063	69,731	166,654	18,264
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	77,503	60,884	61,085	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	2,307,750	771,466	1,851,174	310,108

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026 PERIOD ENDED June 30, 2019		
INSTRUCTIONS - See help in the online application					
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	215	227	5. Miles Transmission	146.50	146.50
2. Services Retired	4	7	6. Miles Distribution Overhead	4,421.99	4,426.67
3. Total Services in Place	45,391	45,860	7. Miles Distribution Underground	415.84	426.07
4. Idle Services (Exclude Seasonal)	8,939	9,217	8. Total Miles Energized (5 + 6 + 7)	4,984.33	4,999.24
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	259,499,537		30. Memberships	706,533	
2. Construction Work in Progress	6,219,272		31. Patronage Capital	93,448,761	
3. Total Utility Plant (1 plus 2)	265,718,809		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	93,142,843		33. Operating Margins - Current Year	918,658	
5. Net Utility Plant (3 minus 4)	172,575,966		34. Non Operating Margins	(147,192)	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	3,955,279	
7. Investment in Subsidiary Companies	(548,340)		36. Total Margins & Equities (30 thru 35)	98,882,039	
8. Investment in Assoc Org-Patronage Capital	25,958,205		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	99,947,714	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,234		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	14,775,501	
12. Other Investments	1,469,026		41. Long-Term Debt-RUS-Econ. Devel.(Net)		
13. Special Funds			42. Payments Unapplied	305,698	
14. Total Other Property & Investments (6 thru 13)	28,240,125		43. Total Long-Term Debt (37 thru 41-42)	114,417,517	
15. Cash-General Funds	1,227,643		44. Obligations Under Capital Leases	225,663	
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,612,814	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,838,477	
18. Temporary Investments	26,440,762		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	4,695,518	
20. Accounts Receivable-Net Sales of Energy	5,603,059		49. Consumers Deposits	1,305,719	
21. Accounts Receivable - Net Other	5,246,342		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,663,145		52. Current Maturities Capital Leases		
24. Prepayments	201,647		53. Other Current & Accrued Liabilities	3,885,855	
25. Other Current and Accrued Assets	662,308		54. Total Current & Accrued Liabilities(47 thru 53)	9,887,092	
26. Total Current & Accrued Assets (15 thru 25)	42,045,302		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,275,804	
28. Other Deferred Debits	4,439,536		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	247,300,929	
29. Total Assets & Other Debits (5+14+26 thru 28)	247,300,929				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.					
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">May 31, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)				
CERTIFICATION				
We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.				
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.				
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII				
(Check one of the following)				
<input checked="checked" type="checkbox"/>	All of the obligations under the RUS loan documents have been fulfilled in all material respects.			
<input type="checkbox"/>	There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.			
_____ DATE _____				
PART A: STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	29,404,288	27,486,093	28,108,705	4,892,021
2. Power Production Expense				
3. Cost of Purchased Power	16,010,375	14,189,488	14,425,626	2,288,450
4. Transmission Expense	28,596	23,652	31,642	4,508
5. Regional Market Expense				
6. Distribution Expense - Operation	1,582,351	1,351,210	1,481,308	330,289
7. Distribution Expense - Maintenance	2,596,874	2,917,897	2,818,888	708,576
8. Customer Accounts Expense	1,218,259	1,199,847	1,381,163	250,028
9. Customer Service and Informational Expense	285,965	299,966	333,328	59,584
10. Sales Expense				
11. Administrative and General Expense	1,826,514	1,869,805	2,109,571	417,125
12. Total Operation & Maintenance Expense (2 thru 11)	23,548,934	21,851,865	22,581,526	4,058,560
13. Depreciation and Amortization Expense	2,904,150	3,049,107	3,044,318	614,471
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,954,071	1,902,273	1,904,338	384,794
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	4,121	3,278	937	641
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 18)	28,411,276	26,806,523	27,531,119	5,058,466
21. Patronage Capital & Operating Margins (1 minus 2)	993,012	679,570	577,586	(166,445)
22. Non Operating Margins - Interest	490,390	478,336	355,339	93,510
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(210,977)	(808,899)	348,360	(161,073)
25. Non Operating Margins - Other	82,128	51,467	138,365	43,181
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	77,503	60,884	61,085	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,432,056	461,358	1,480,735	(190,827)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application			PERIOD ENDED May 31, 2019		
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	170	190	5. Miles Transmission	146.50	146.50
2. Services Retired	4	7	6. Miles Distribution Overhead	4,421.50	4,426.12
3. Total Services in Place	45,346	45,823	7. Miles Distribution Underground	415.06	424.94
4. Idle Services (Exclude Seasonal)	8,924	9,226	8. Total Miles Energized (5 + 6 + 7)	4,983.06	4,997.56
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	258,503,540		30. Memberships	705,753	
2. Construction Work in Progress	5,352,831		31. Patronage Capital	93,448,761	
3. Total Utility Plant (1 plus 2)	263,856,371		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	92,703,665		33. Operating Margins - Current Year	740,453	
5. Net Utility Plant (3 minus 4)	171,152,706		34. Non Operating Margins	(279,096)	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	3,956,284	
7. Investment in Subsidiary Companies	(573,021)		36. Total Margins & Equities (30 thru 35)	98,572,155	
8. Investment in Assoc Org-Patronage Capital	25,958,205		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	100,719,821	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,234		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	14,775,501	
12. Other Investments	1,484,117		41. Long-Term Debt-RUS-Econ. Devel (Net)		
13. Special Funds			42. Payments Unapplied	2,027,025	
14. Total Other Property & Investments (6 thru 13)	28,230,535		43. Total Long-Term Debt (37 thru 41-42)	113,468,297	
15. Cash-General Funds	513,312		44. Obligations Under Capital Leases		
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,552,486	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,552,486	
18. Temporary Investments	28,288,141		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	4,630,990	
20. Accounts Receivable-Net Sales of Energy	5,294,258		49. Consumers Deposits	1,315,609	
21. Accounts Receivable - Net Other	5,106,502		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,744,167		52. Current Maturities Capital Leases		
24. Prepayments	227,490		53. Other Current & Accrued Liabilities	4,480,385	
25. Other Current and Accrued Assets	383,276		54. Total Current & Accrued Liabilities(47 thru 53)	10,426,984	
26. Total Current & Accrued Assets (15 thru 25)	42,557,542		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,270,244	
28. Other Deferred Debits	4,349,383		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	246,290,166	
29. Total Assets & Other Debits (5+14+26 thru 28)	246,290,166				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">April 30, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
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CERTIFICATION				
We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.				
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.				
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII				
(Check one of the following)				
<input checked="checked" type="checkbox"/>	All of the obligations under the RUS loan documents have been fulfilled in all material respects.			
<input type="checkbox"/>	There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.			
_____ DATE				
PART A: STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	23,851,225	22,594,072	23,251,656	4,783,886
2. Power Production Expense				
3. Cost of Purchased Power	13,471,711	11,901,038	12,110,897	2,774,508
4. Transmission Expense	24,189	19,144	26,766	4,617
5. Regional Market Expense				
6. Distribution Expense - Operation	1,331,418	1,020,921	1,246,398	294,351
7. Distribution Expense - Maintenance	2,100,589	2,209,321	2,280,174	509,464
8. Customer Accounts Expense	964,995	949,819	1,094,033	251,490
9. Customer Service and Informational Expense	233,543	240,382	272,223	62,248
10. Sales Expense				
11. Administrative and General Expense	1,472,778	1,452,680	1,701,016	333,046
12. Total Operation & Maintenance Expense (2 thru 11)	19,599,223	17,793,305	18,731,507	4,229,724
13. Depreciation and Amortization Expense	2,313,903	2,434,636	2,431,869	612,711
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,555,855	1,517,479	1,516,257	374,051
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	3,831	2,637	750	601
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 18)	23,472,812	21,748,057	22,680,383	5,217,087
21. Patronage Capital & Operating Margins (1 minus 20)	378,413	846,015	571,273	(433,201)
22. Non Operating Margins - Interest	384,476	384,826	278,766	91,144
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(166,515)	(647,825)	278,688	(132,681)
25. Non Operating Margins - Other	69,436	8,286	114,177	8,312
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	77,503	60,884	61,085	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	743,313	652,186	1,303,989	(466,426)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026 PERIOD ENDED April 30, 2019		
INSTRUCTIONS - See help in the online application					
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	121	155	5. Miles Transmission	146.50	146.50
2. Services Retired	2	6	6. Miles Distribution Overhead	4,418.73	4,426.00
3. Total Services in Place	45,299	45,789	7. Miles Distribution Underground	414.04	424.31
4. Idle Services (Exclude Seasonal)	8,951	9,237	8. Total Miles Energized (5 + 6 + 7)	4,979.27	4,996.81
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	257,525,362		30. Memberships	704,373	
2. Construction Work in Progress	4,927,592		31. Patronage Capital	93,448,760	
3. Total Utility Plant (1 plus 2)	262,452,954		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	92,160,311		33. Operating Margins - Current Year	906,899	
5. Net Utility Plant (3 minus 4)	170,292,643		34. Non Operating Margins	(254,713)	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	3,956,283	
7. Investment in Subsidiary Companies	(411,948)		36. Total Margins & Equities (30 thru 35)	98,761,602	
8. Investment in Assoc Org-Patronage Capital	25,958,205		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	100,719,821	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,233		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	15,271,754	
12. Other Investments	1,464,274		41. Long-Term Debt-RUS-Econ. Devel.(Net)		
13. Special Funds			42. Payments Unapplied	2,027,025	
14. Total Other Property & Investments (6 thru 13)	28,371,764		43. Total Long-Term Debt (37 thru 41-42)	113,964,550	
15. Cash-General Funds	527,002		44. Obligations Under Capital Leases		
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,478,225	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,478,225	
18. Temporary Investments	28,171,627		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	3,917,787	
20. Accounts Receivable-Net Sales of Energy	5,672,280		49. Consumers Deposits	1,323,589	
21. Accounts Receivable - Net Other	4,764,690		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,719,997		52. Current Maturities Capital Leases		
24. Prepayments	256,695		53. Other Current & Accrued Liabilities	3,653,400	
25. Other Current and Accrued Assets	402,909		54. Total Current & Accrued Liabilities(47 thru 53)	8,894,776	
26. Total Current & Accrued Assets (15 thru 25)	42,515,596		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,266,546	
28. Other Deferred Debits	4,185,696		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	245,365,699	
29. Total Assets & Other Debits (5+14+26 thru 28)	245,365,699				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
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UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">March 31, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
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We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.				
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(Check one of the following)				
<input checked="checked" type="checkbox"/>	All of the obligations under the RUS loan documents have been fulfilled in all material respects.			
<input type="checkbox"/>	There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.			
_____ DATE				
PART A: STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	19,099,163	17,810,186	18,813,644	5,684,012
2. Power Production Expense				
3. Cost of Purchased Power	10,779,834	9,126,530	9,810,069	2,917,514
4. Transmission Expense	18,621	14,527	20,605	5,149
5. Regional Market Expense				
6. Distribution Expense - Operation	1,061,266	726,570	993,497	328,390
7. Distribution Expense - Maintenance	1,606,232	1,699,857	1,743,553	548,395
8. Customer Accounts Expense	721,333	698,329	817,789	210,840
9. Customer Service and Informational Expense	181,531	178,134	211,597	57,904
10. Sales Expense				
11. Administrative and General Expense	1,148,425	1,119,634	1,326,398	351,218
12. Total Operation & Maintenance Expense (2 thru 11)	15,517,242	13,563,581	14,923,508	4,419,410
13. Depreciation and Amortization Expense	1,727,536	1,821,925	1,820,944	608,679
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	1,169,108	1,143,428	1,139,353	399,442
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	1,062	2,036	562	637
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 18)	18,414,948	16,530,970	17,884,367	5,428,168
21. Patronage Capital & Operating Margins (1 minus 20)	684,215	1,279,216	929,277	255,844
22. Non Operating Margins - Interest	283,754	293,682	205,840	99,178
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(120,489)	(515,144)	209,016	(138,022)
25. Non Operating Margins - Other	62,986	(26)	93,902	1,711
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	77,503	60,884	61,085	60,884
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	987,969	1,118,612	1,499,120	279,595

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application			PERIOD ENDED March 31, 2019		
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	84	109	5. Miles Transmission	146.50	146.50
2. Services Retired	1	6	6. Miles Distribution Overhead	4,418.01	4,425.37
3. Total Services in Place	45,263	45,743	7. Miles Distribution Underground	413.46	423.65
4. Idle Services (Exclude Seasonal)	8,929	9,217	8. Total Miles Energized (5 + 6 + 7)	4,977.97	4,995.52
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	255,895,024		30. Memberships	704,008	
2. Construction Work in Progress	4,705,833		31. Patronage Capital	93,448,600	
3. Total Utility Plant (1 plus 2)	260,600,857		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	91,661,091		33. Operating Margins - Current Year	1,340,100	
5. Net Utility Plant (3 minus 4)	168,939,766		34. Non Operating Margins	14,390	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	5,087,541	
7. Investment in Subsidiary Companies	1,086,685		36. Total Margins & Equities (30 thru 35)	100,594,639	
8. Investment in Assoc Org-Patronage Capital	25,958,205		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	101,484,491	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,358,233		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	15,271,754	
12. Other Investments	1,492,932		41. Long-Term Debt-RUS-Econ. Devel.(Net)		
13. Special Funds			42. Payments Unapplied	3,774,570	
14. Total Other Property & Investments (6 thru 13)	29,899,055		43. Total Long-Term Debt (37 thru 41-42)	112,981,675	
15. Cash-General Funds	698,994		44. Obligations Under Capital Leases		
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,417,776	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,417,776	
18. Temporary Investments	28,482,535		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	3,352,486	
20. Accounts Receivable-Net Sales of Energy	6,258,509		49. Consumers Deposits	1,296,129	
21. Accounts Receivable - Net Other	5,070,975		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,727,043		52. Current Maturities Capital Leases		
24. Prepayments	14,260		53. Other Current & Accrued Liabilities	5,619,018	
25. Other Current and Accrued Assets	637,855		54. Total Current & Accrued Liabilities(47 thru 53)	10,267,633	
26. Total Current & Accrued Assets (15 thru 25)	43,890,567		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,239,379	
28. Other Deferred Debits	4,771,714		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	247,501,102	
29. Total Assets & Other Debits (5+14+26 thru 28)	247,501,102				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED February 28, 2019 <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576			
INSTRUCTIONS - See help in the online application				
This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)				
CERTIFICATION We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001. We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII (Check one of the following)				
<input checked="checked" type="checkbox"/>	All of the obligations under the RUS loan documents have been fulfilled in all material respects.			
<input type="checkbox"/>	There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.			
_____ DATE				
PART A: STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	13,492,632	12,126,174	13,347,449	5,782,446
2. Power Production Expense				
3. Cost of Purchased Power	7,633,735	6,209,016	7,009,155	3,205,117
4. Transmission Expense	11,014	9,378	12,187	4,883
5. Regional Market Expense				
6. Distribution Expense - Operation	695,930	398,180	651,490	297,363
7. Distribution Expense - Maintenance	1,035,396	1,151,462	1,123,915	589,480
8. Customer Accounts Expense	479,549	487,489	543,674	214,236
9. Customer Service and Informational Expense	112,750	120,230	131,424	55,778
10. Sales Expense				
11. Administrative and General Expense	732,510	768,416	846,028	350,397
12. Total Operation & Maintenance Expense (2 thru 11)	10,700,884	9,144,171	10,317,873	4,717,254
13. Depreciation and Amortization Expense	1,150,448	1,213,246	1,212,113	607,125
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	767,578	743,986	748,043	353,520
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	631	1,399	375	691
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 18)	12,619,541	11,102,802	12,278,404	5,678,590
21. Patronage Capital & Operating Margins (1 minus 20)	873,091	1,023,372	1,069,045	103,856
22. Non Operating Margins - Interest	187,487	194,504	136,045	93,579
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(82,172)	(377,122)	139,344	(272,349)
25. Non Operating Margins - Other	54,781	(1,737)	72,282	14,038
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends	4,655		3,669	
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	1,037,842	839,017	1,420,385	(60,876)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026		
INSTRUCTIONS - See help in the online application			PERIOD ENDED February 28, 2019		
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
ITEM	LAST YEAR (a)	THIS YEAR (b)	ITEM	LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	52	81	5. Miles Transmission	139.00	146.50
2. Services Retired		5	6. Miles Distribution Overhead	4,417.67	4,424.59
3. Total Services in Place	45,232	45,716	7. Miles Distribution Underground	413.18	422.59
4. Idle Services (Exclude Seasonal)	8,899	9,215	8. Total Miles Energized (5 + 6 + 7)	4,969.85	4,993.68
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	255,524,750		30. Memberships	703,248	
2. Construction Work in Progress	3,942,279		31. Patronage Capital	93,448,600	
3. Total Utility Plant (1 plus 2)	259,467,029		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	91,271,292		33. Operating Margins - Current Year	1,023,372	
5. Net Utility Plant (3 minus 4)	168,195,737		34. Non Operating Margins	(1,314,428)	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	5,096,443	
7. Investment in Subsidiary Companies	(141,244)		36. Total Margins & Equities (30 thru 35)	98,957,235	
8. Investment in Assoc Org-Patronage Capital	25,930,958		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	101,484,491	
10. Invest. In Assoc. Org-Other-Nongeneral Funds	1,360,911		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	15,271,754	
12. Other Investments	1,518,821		41. Long-Term Debt-RUS-Econ. Devel.(Net)		
13. Special Funds			42. Payments Unapplied	3,728,595	
14. Total Other Property & Investments (6 thru 13)	28,672,446		43. Total Long-Term Debt (37 thru 41-42)	113,027,650	
15. Cash-General Funds	678,061		44. Obligations Under Capital Leases		
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,342,437	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,342,437	
18. Temporary Investments	29,691,274		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	3,503,383	
20. Accounts Receivable-Net Sales of Energy	7,000,591		49. Consumers Deposits	1,282,319	
21. Accounts Receivable - Net Other	4,533,880		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt-Economic Development		
23. Materials Supplies-Electric and Other	2,725,170		52. Current Maturities Capital Leases		
24. Prepayments	40,120		53. Other Current & Accrued Liabilities	5,072,901	
25. Other Current and Accrued Assets	503,590		54. Total Current & Accrued Liabilities(47 thru 53)	9,858,603	
26. Total Current & Accrued Assets (15 thru 25)	45,173,082		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,293,979	
28. Other Deferred Debits	3,438,639		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	245,479,904	
29. Total Assets & Other Debits (5+14+26 thru 28)	245,479,904				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION	BORROWER DESIGNATION AR 026 <hr/> PERIOD ENDED <p style="text-align: center;">January 31, 2019</p> <hr/> BORROWER DESIGNATION NORTH ARKANSAS ELECTRIC COOP., INC. P. O. BOX 1000 SALEM, ARKANSAS 72576
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INSTRUCTIONS - See help in the online application

This information is analyzed and used to determine the submitter's financial situation and feasibility for loans and guarantees. You are required by contract and applicable regulations to provide the information. The information provided is subject to the Freedom of Information Act (5 U.S.C. 552)

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United State and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(Check one of the following)



All of the obligations under the RUS loan documents have been fulfilled in all material respects.



There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

PART A: STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	6,911,003	6,343,728	7,232,253	6,343,728
2. Power Production Expense				
3. Cost of Purchased Power	3,504,722	3,003,899	3,827,896	3,003,899
4. Transmission Expense	6,607	4,495	7,311	4,495
5. Regional Market Expense				
6. Distribution Expense - Operation	354,071	100,817	331,461	100,817
7. Distribution Expense - Maintenance	524,707	560,636	569,566	560,636
8. Customer Accounts Expense	270,653	273,253	306,844	273,253
9. Customer Service and Informational Expense	63,600	64,452	74,134	64,452
10. Sales Expense				
11. Administrative and General Expense	392,164	418,019	452,938	418,019
12. Total Operation & Maintenance Expense (2 thru 11)	5,116,524	4,425,571	5,570,150	4,425,571
13. Depreciation and Amortization Expense	575,006	606,121	605,261	606,121
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other				
16. Interest on Long-Term Debt	402,984	390,466	392,728	390,466
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	287	708	187	708
19. Other Deductions				
20. Total Cost of Electric Service (12 thru 18)	6,094,801	5,422,866	6,568,326	5,422,866
21. Patronage Capital & Operating Margins (1 minus 20)	816,202	920,862	663,927	920,862
22. Non Operating Margins - Interest	98,860	100,925	71,617	100,925
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments	(42,668)	(104,773)	69,672	(104,773)
25. Non Operating Margins - Other	4,269	(15,775)	17,843	(15,775)
26. Generation and Transmission Capital Credits				
27. Other Capital Credits and Patronage Dividends				
28. Extraordinary Items				
29. Patronage Capital or Margins (21 thru 28)	876,663	901,239	823,059	901,239

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND STATISTICAL REPORT ELECTRIC DISTRIBUTION			BORROWER DESIGNATION AR0026 <hr/> PERIOD ENDED January 31, 2019		
INSTRUCTIONS - See help in the online application					
PART B: DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
YEAR-TO-DATE				YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
ITEM	(a)	(b)	ITEM	(a)	(b)
1. New Services Connected	34	53	5. Miles Transmission	139.00	146.50
2. Services Retired		3	6. Miles Distribution Overhead	4,417.78	4,423.85
3. Total Services in Place	45,214	45,690	7. Miles Distribution Underground	412.91	422.11
4. Idle Services (Exclude Seasonal)	8,891	9,181	8. Total Miles Energized (5 + 6 + 7)	4,969.69	4,992.46
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	255,108,346		30. Memberships	703,513	
2. Construction Work in Progress	3,478,602		31. Patronage Capital	93,448,600	
3. Total Utility Plant (1 plus 2)	258,586,948		32. Operating Margins - Prior Years		
4. Accum. Provision for Depreciation and Amort.	90,651,218		33. Operating Margins - Current Year	920,862	
5. Net Utility Plant (3 minus 4)	167,935,730		34. Non Operating Margins	(1,149,697)	
6. Non-Utility Property - Net	3,000		35. Other Margins and Equities	5,108,209	
7. Investment in Subsidiary Companies	131,104		36. Total Margins & Equities (30 thru 35)	99,031,487	
8. Investment in Assoc Org-Patronage Capital	25,930,958		37. Long-Term Debt-RUS (Net)		
9. Investment in Assoc. Org.-Other-General Funds			38. Long-Term Debt-FFB-RUS Guaranteed	101,484,491	
10. Invest. In Assoc. Org.-Other-Nongeneral Funds	1,360,912		39. Long-Term Debt-Other-RUS Guaranteed		
11. Investments in Economic Development Projects			40. Long-Term Debt Other (Net)	15,842,919	
12. Other Investments	1,526,545		41. Long-Term Debt-RUS-Econ. Devel.(Net)		
13. Special Funds			42. Payments Unapplied	3,728,595	
14. Total Other Property & Investments (6 thru 13)	28,952,519		43. Total Long-Term Debt (37 thru 41-42)	113,598,815	
15. Cash-General Funds	478,372		44. Obligations Under Capital Leases		
16. Cash - Construction Funds-Trustee	1		45. Accumulated Operating Provisions	21,267,370	
17. Special Deposits	395		46. Total Other Noncurrent Liabilities (44 + 45)	21,267,370	
18. Temporary Investments	30,720,806		47. Notes Payable		
19. Notes Receivable-Net			48. Accounts Payable	3,882,225	
20. Accounts Receivable-Net Sales of Energy	6,914,624		49. Consumers Deposits	1,276,310	
21. Accounts Receivable - Net Other	3,651,769		50. Current Maturities Long-Term Debt		
22. Renewable Energy Credits			51. Current Maturities Long-Term Debt- Economic Development		
23. Materials Supplies-Electric and Other	2,402,157		52. Current Maturities Capital Leases		
24. Prepayments	39,458		53. Other Current & Accrued Liabilities	4,434,918	
25. Other Current and Accrued Assets	905,826		54. Total Current & Accrued Liabilities(47 thru 53)	9,593,453	
26. Total Current & Accrued Assets (15 thru 25)	45,113,408		55. Regulatory Liabilities		
27. Regulatory Assets			56. Other Deferred Credits	2,332,233	
28. Other Deferred Debits	3,821,701		57. Total Liabilities & Other Credits (36 + 43+ 46 + 54 thru 56)	245,823,358	
29. Total Assets & Other Debits (5+14+26 thru 28)	245,823,358				
SECTION D. NOTES TO FINANCIAL STATEMENTS					
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)					

BILLING OF INTEREST AND PRINCIPAL DUE

050026

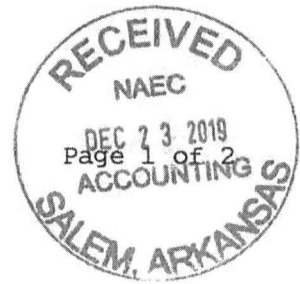
12/31/2019

\$1,747,162.33

REFERENCE
NUMBER

DATE DUE

* NET TOTAL DUE



NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000

endor	Account	Dep	Amount	keyed	Ok'd

QUESTIONS ABOUT THIS BILLING SHOULD BE DIRECTED TO:

USDA / RURAL DEVELOPMENT
TELEPHONE AND ELECTRIC SERVICES BRANCH
FC - 1314
4300 Goodfellow Blvd.
ST. LOUIS, MISSOURI 63120-1703
VOICE (314) 457-4049
EMAIL: RD.NFAOC.TESB@STL.USDA.GOV

REMITTANCE INSTRUCTIONS

FEDWIRE BANK ROUTING
ROUTING TRANSIT NO. 021030004 TREAS NYC
ACCOUNT (ALC) 12200408

CUSTOMER-INITIATED PAYMENTS (CIP)

Go to: <https://rdupcip.sc.egov.usda.gov> and follow on-line information.
Your payments must be scheduled by 8:00 P.M. Eastern Time the
business day before it is due.

For questions about CIP contact the Cash Management Branch (CMB) at
(314) 457-4023.

SUMMARY LIST OF BILLING

<u>Program</u>	<u>Total Amount Due</u>	<u>Overdue Amount</u>
Federal Financing Bank	\$ 1,747,162.33	
GRAND TOTAL DUE	\$ 1,747,162.33	
PROJECTED EARNED INTEREST CREDIT	\$ 0.00	
NET TOTAL DUE	\$ 1,747,162.33	

Projected Cushion of Credit Balance through Due Date

Cushion of Credit Balance	\$.00
Projected Earned Interest	\$.00
Total Projected Cushion of Credit Available	\$.00

* Per Regulation 7 CFR 1785.67 Net Total Due reflects the Grand Total Due less Projected Earned Interest Credit on Cushion of Credit up to the amount of the Grand Total Due.

Projected Earned Interest amount is subject to change due to Cushion of Credit activity after bill generation.

** Overdue amounts are included in the "Total Amount Due" for the program.

BILLING OF INTEREST AND PRINCIPAL DUE

050026

12/31/2019

\$1,747,162.33

REFERENCE
NUMBER

DATE DUE

NET TOTAL DUE

Page 2 of 2

NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000

DETAILED LIST OF BILLING

PROGRAM: Federal Financing Bank

TOTAL DUE =\$1,747,162.33

Acct No	Note Desg	Outstanding Principal	Principal Due	Current Interest	Other Billing Item	Other Amount Due	Payment Due
FFB-1-1	BB8	\$6,324,170.38	\$70,552.43	\$75,844.30	Note Section 9 Fee	\$1,992.55	\$148,389.28
FFB-1-2	BB8	\$7,898,294.39	\$88,113.34	\$94,722.41	Note Section 9 Fee	\$2,488.50	\$185,324.25
FFB-1-3	BB8	\$8,279,846.66	\$88,852.99	\$108,710.53	Note Section 9 Fee	\$2,608.72	\$200,172.24
FFB-1-4	BB8	\$4,240,979.09	\$49,889.21	\$44,190.77	Note Section 9 Fee	\$1,336.20	\$95,416.18
FFB-2-1	BC8	\$4,853,997.38	\$31,879.28	\$61,161.43	Note Section 9 Fee	\$1,529.34	\$94,570.05
FFB-2-2	BC8	\$5,139,901.67	\$37,025.59	\$55,202.83	Note Section 9 Fee	\$1,619.42	\$93,847.84
FFB-2-3	BC8	\$9,791,623.29	\$70,116.66	\$106,347.22	Note Section 9 Fee	\$3,085.03	\$179,548.91
FFB-2-4	BC8	\$706,850.07	\$5,132.90	\$7,475.80	Note Section 9 Fee	\$222.71	\$12,831.41
FFB-3-1	BD8	\$6,988,324.88	\$37,844.45	\$76,288.00	Note Section 9 Fee	\$2,201.80	\$116,334.25
FFB-3-3	BD8	\$8,269,263.27	\$50,132.00	\$74,555.68	Note Section 9 Fee	\$2,605.38	\$127,293.06
FFB-3-4	BD8	\$6,695,791.49	\$46,275.89	\$45,095.51	Note Section 9 Fee	\$2,109.63	\$93,481.03
FFB-4-1	BE8	\$11,440,778.00	\$78,077.86	\$68,949.34	Note Section 9 Fee	\$3,604.63	\$150,631.83
FFB-4-2	BE8	\$18,538,273.83	\$123,113.43	\$120,367.74	Note Section 9 Fee	\$5,840.83	\$249,322.00
TOTALS		\$99,168,094.40	\$777,006.03	\$938,911.56		\$31,244.74	\$1,747,162.33

BILLING OF INTEREST AND PRINCIPAL DUE

050026

09/30/2019

\$1,742,973.68

Page 1 of 2

REFERENCE
NUMBER

DATE DUE

* NET TOTAL DUE

**NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000**

QUESTIONS ABOUT THIS BILLING SHOULD BE DIRECTED TO:

USDA / RURAL DEVELOPMENT
TELEPHONE AND ELECTRIC SERVICES BRANCH
FC - 1314
4300 Goodfellow Blvd.
ST. LOUIS, MISSOURI 63120-1703
VOICE (314) 457-4049
EMAIL: RD.NFAOC.TESB@STL.USDA.GOV

REMITTANCE INSTRUCTIONS

FEDWIRE BANK ROUTING
ROUTING TRANSIT NO. 021030004 TREAS NYC
ACCOUNT (ALC) 12200408
CUSTOMER INITIATED PAYMENTS (CIP)
Go to: <https://rdupcip.sc.egov.usda.gov> and follow on-line information.
Your payments must be scheduled by 8:00 P.M. Eastern Time the
business day before it is due.
For questions about CIP contact the Cash Management Branch (CMB) at
(314) 457-4023.

SUMMARY LIST OF BILLING

<u>Program</u>	<u>Total Amount Due</u>	<u>Overdue Amount</u>
Federal Financing Bank	\$ 1,747,065.67	
GRAND TOTAL DUE	\$ 1,747,065.67	
PROJECTED EARNED INTEREST CREDIT	\$ (4,091.99)	
NET TOTAL DUE	\$ 1,742,973.68	

Projected Cushion of Credit Balance through Due Date

Cushion of Credit Balance	\$ 305,698.25
Projected Earned Interest	\$ 4,091.99
Total Projected Cushion of Credit Available	\$ 309,790.24

* Per Regulation 7 CFR 1785.67 Net Total Due reflects the Grand Total Due less Projected Earned Interest Credit on Cushion of Credit up to the amount of the Grand Total Due.

Projected Earned Interest amount is subject to change due to Cushion of Credit activity after bill generation.

** Overdue amounts are included in the " Total Amount Due" for the program.

BILLING OF INTEREST AND PRINCIPAL DUE

050026

09/30/2019

\$1,742,973.68

Page 2 of 2

REFERENCE
NUMBER

DATE DUE

NET TOTAL DUE

NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000

DETAILED LIST OF BILLING

PROGRAM: Federal Financing Bank

TOTAL DUE =\$1,747,065.67

Acct No	Note Desc	Outstanding Principal	Principal Due	Current Interest	Other Billing Item	Other Amount Due	Payment Due
FFB-1-1	BB8	\$6,394,710.43	\$70,540.05	\$75,856.68	Note Section 9 Fee	\$1,992.87	\$148,389.60
FFB-1-2	BB8	\$7,986,392.27	\$88,097.88	\$94,737.87	Note Section 9 Fee	\$2,488.91	\$185,324.66
FFB-1-3	BB8	\$8,368,727.01	\$88,880.35	\$108,683.17	Note Section 9 Fee	\$2,608.06	\$200,171.58
FFB-1-4	BB8	\$4,290,834.79	\$49,855.70	\$44,224.28	Note Section 9 Fee	\$1,337.21	\$95,417.19
FFB-2-1	BC8	\$4,886,140.84	\$32,143.46	\$60,897.25	Note Section 9 Fee	\$1,522.74	\$94,563.45
FFB-2-2	BC8	\$5,177,131.79	\$37,230.12	\$54,998.30	Note Section 9 Fee	\$1,613.42	\$93,841.84
FFB-2-3	BC8	\$9,862,138.35	\$70,515.06	\$105,948.82	Note Section 9 Fee	\$3,073.47	\$179,537.35
FFB-2-4	BC8	\$712,010.25	\$5,160.18	\$7,448.52	Note Section 9 Fee	\$221.89	\$12,830.59
FFB-3-1	BD8	\$7,026,585.42	\$38,260.54	\$75,871.91	Note Section 9 Fee	\$2,189.79	\$116,322.24
FFB-3-3	BD8	\$8,319,755.37	\$50,492.10	\$74,195.58	Note Section 9 Fee	\$2,592.80	\$127,280.48
FFB-3-4	BD8	\$6,742,248.07	\$46,456.58	\$44,914.82	Note Section 9 Fee	\$2,101.18	\$93,472.58
FFB-4-1	BE8	\$11,519,138.20	\$78,360.20	\$68,667.00	Note Section 9 Fee	\$3,589.87	\$150,617.07
FFB-4-2	BE8	\$18,661,901.62	\$123,627.79	\$119,853.38	Note Section 9 Fee	\$5,815.87	\$249,297.04
TOTALS		\$99,947,714.41	\$779,620.01	\$936,297.58		\$31,148.08	\$1,747,065.67

967,445.66

BILLING OF INTEREST AND PRINCIPAL DUE

050026

07/01/2019

\$1,721,792.72

Page 1 of 2

REFERENCE
NUMBER

DATE DUE

* NET TOTAL DUE

NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000

QUESTIONS ABOUT THIS BILLING SHOULD BE DIRECTED TO:

USDA / RURAL DEVELOPMENT
 TELEPHONE AND ELECTRIC SERVICES BRANCH
 FC - 1314
 4300 Goodfellow Blvd.
 ST. LOUIS, MISSOURI 63120-1703
 VOICE (314) 457-4049
 EMAIL: RD.NFAOC.TESB@STL.USDA.GOV

REMITTANCE INSTRUCTIONS

FEDWIRE BANK ROUTING
 ROUTING TRANSIT NO. 021030004 TREAS NYC
 ACCOUNT (ALC) 12200408

CUSTOMER INITIATED PAYMENTS (CIP)

Go to: <https://rdupcip.sc.egov.usda.gov> and follow on-line information.
 Your payments must be scheduled by 8:00 P.M. Eastern Time the
 business day before it is due.

For questions about CIP contact the Cash Management Branch (CMB) at
 (314) 457-4023.

SUMMARY LIST OF BILLING

<u>Program</u>	<u>Total Amount Due</u>	<u>Overdue Amount</u>
Federal Financing Bank	\$ 1,747,306.31	
GRAND TOTAL DUE	\$ 1,747,306.31	
PROJECTED EARNED INTEREST CREDIT	\$ (25,513.59)	
NET TOTAL DUE	\$ 1,721,792.72	

Projected Cushion of Credit Balance through Due Date

Cushion of Credit Balance	\$ 2,027,490.97
Projected Earned Interest	\$ 25,513.59
Total Projected Cushion of Credit Available	\$ 2,053,004.56

* Per Regulation 7 CFR 1785.67 Net Total Due reflects the Grand Total Due less Projected Earned Interest Credit on Cushion of Credit up to the amount of the Grand Total Due.

Projected Earned Interest amount is subject to change due to Cushion of Credit activity after bill generation.

** Overdue amounts are included in the "Total Amount Due" for the program.

BILLING OF INTEREST AND PRINCIPAL DUE

050026

07/01/2019

\$1,721,792.72

REFERENCE
NUMBER

DATE DUE

NET TOTAL DUE

Page 2 of 2

NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000

DETAILED LIST OF BILLING

PROGRAM: Federal Financing Bank

TOTAL DUE =\$1,747,306.31

Acct No	Note Desg	Outstanding Principal	Principal Due	Current Interest	Other Billing Item	Other Amount Due	Payment Due
FFB-1-1	BB8	\$6,464,423.51	\$69,713.08	\$76,683.65	Note Section 9 Fee	\$2,014.60	\$148,411.33
FFB-1-2	BB8	\$8,073,457.35	\$87,065.08	\$95,770.67	Note Section 9 Fee	\$2,516.04	\$185,351.79
FFB-1-3	BB8	\$8,456,467.89	\$87,740.88	\$109,822.64	Note Section 9 Fee	\$2,635.41	\$200,198.93
FFB-1-4	BB8	\$4,340,181.88	\$49,347.09	\$44,732.89	Note Section 9 Fee	\$1,352.59	\$95,432.57
FFB-2-1	BC8	\$4,917,888.62	\$31,747.78	\$61,292.93	Note Section 9 Fee	\$1,532.63	\$94,573.34
FFB-2-2	BC8	\$5,213,970.56	\$36,838.77	\$55,389.65	Note Section 9 Fee	\$1,624.90	\$93,853.32
FFB-2-3	BC8	\$9,931,903.92	\$69,765.57	\$106,698.31	Note Section 9 Fee	\$3,095.22	\$179,559.10
FFB-2-4	BC8	\$717,117.00	\$5,106.75	\$7,501.95	Note Section 9 Fee	\$223.49	\$12,832.19
FFB-3-1	BD8	\$7,064,437.24	\$37,851.82	\$76,280.63	Note Section 9 Fee	\$2,201.59	\$116,334.04
FFB-3-3	BD8	\$8,369,801.16	\$50,045.79	\$74,641.89	Note Section 9 Fee	\$2,608.40	\$127,296.08
FFB-3-4	BD8	\$6,788,397.21	\$46,149.14	\$45,222.26	Note Section 9 Fee	\$2,115.56	\$93,486.96
FFB-4-1	BE8	\$11,597,034.05	\$77,895.85	\$69,131.35	Note Section 9 Fee	\$3,614.14	\$150,641.34
FFB-4-2	BE8	\$18,784,740.50	\$122,838.88	\$120,642.29	Note Section 9 Fee	\$5,854.15	\$249,335.32
TOTALS		\$100,719,820.89	\$772,106.48	\$943,811.11		\$31,388.72	\$1,747,306.31

975,199.83

BILLING OF INTEREST AND PRINCIPAL DUE

Page 1 of 2

050026	04/01/2019	\$1,701,569.90
REFERENCE NUMBER	DATE DUE	* NET TOTAL DUE

NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000

QUESTIONS ABOUT THIS BILLING SHOULD BE DIRECTED TO:

USDA / RURAL DEVELOPMENT
 TELEPHONE AND ELECTRIC SERVICES BRANCH
 FC - 1314
 4300 Goodfellow Blvd.
 ST. LOUIS, MISSOURI 63120-1703
 VOICE (314) 457-4049
 EMAIL: RD.NFAOC.TESB@STL.USDA.GOV

REMITTANCE INSTRUCTIONS

FEDWIRE BANK ROUTING
 ROUTING TRANSIT NO. 021030004 TREAS NYC
 ACCOUNT (ALC) 12200408

CUSTOMER INITIATED PAYMENTS (CIP)
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 Your payments must be scheduled by 8:00 P.M. Eastern Time the
 business day before it is due.
 For questions about CIP contact the Cash Management Branch (CMB) at
 (314) 457-4023.

SUMMARY LIST OF BILLING

<u>Program</u>	<u>Total Amount Due</u>	<u>Overdue Amount</u>
Federal Financing Bank	\$ 1,747,544.62	
GRAND TOTAL DUE	\$ 1,747,544.62	
PROJECTED EARNED INTEREST CREDIT	\$ (45,974.72)	
NET TOTAL DUE	\$ 1,701,569.90	

Projected Cushion of Credit Balance through Due Date

Cushion of Credit Balance	\$ 3,729,060.87
Projected Earned Interest	\$ 45,974.72
Total Projected Cushion of Credit Available	\$ 3,775,035.59

* Per Regulation 7 CFR 1785.67 Net Total Due reflects the Grand Total Due less Projected Earned Interest Credit on Cushion of Credit up to the amount of the Grand Total Due.

Projected Earned Interest amount is subject to change due to Cushion of Credit activity after bill generation.

** Overdue amounts are included in the "Total Amount Due" for the program.

BILLING OF INTEREST AND PRINCIPAL DUE

050026

04/01/2019

\$1,701,569.90

Page 2 of 2

REFERENCE
NUMBER

DATE DUE

NET TOTAL DUE


NORTH ARKANSAS ELEC COOP INC
P O BOX 1000
SALEM, AR 72576-1000

DETAILED LIST OF BILLING

PROGRAM: Federal Financing Bank

TOTAL DUE =\$1,747,544.62

Acct No	Note Desg	Outstanding Principal	Principal Due	Current Interest	Other Billing Item	Other Amount Due	Payment Due
FFB-1-1	BB8	\$6,533,319.32	\$68,895.81	\$77,500.92	Note Section 9 Fee	\$2,036.07	\$148,432.80
FFB-1-2	BB8	\$8,159,501.74	\$86,044.39	\$96,791.36	Note Section 9 Fee	\$2,542.86	\$185,378.61
FFB-1-3	BB8	\$8,543,083.90	\$86,616.01	\$110,947.51	Note Section 9 Fee	\$2,662.40	\$200,225.92
FFB-1-4	BB8	\$4,389,025.56	\$48,843.68	\$45,236.30	Note Section 9 Fee	\$1,367.81	\$95,447.79
FFB-2-1	BC8	\$4,949,245.59	\$31,356.97	\$61,683.74	Note Section 9 Fee	\$1,542.40	\$94,583.11
FFB-2-2	BC8	\$5,250,422.09	\$36,451.53	\$55,776.89	Note Section 9 Fee	\$1,636.26	\$93,864.68
FFB-2-3	BC8	\$10,000,927.97	\$69,024.05	\$107,439.83	Note Section 9 Fee	\$3,116.73	\$179,580.61
FFB-2-4	BC8	\$722,170.88	\$5,053.88	\$7,554.82	Note Section 9 Fee	\$225.06	\$12,833.76
FFB-3-1	BD8	\$7,101,884.71	\$37,447.47	\$76,684.98	Note Section 9 Fee	\$2,213.26	\$116,345.71
FFB-3-3	BD8	\$8,419,404.59	\$49,603.43	\$75,084.25	Note Section 9 Fee	\$2,623.86	\$127,311.54
FFB-3-4	BD8	\$6,834,240.96	\$45,843.75	\$45,527.65	Note Section 9 Fee	\$2,129.85	\$93,501.25
FFB-4-1	BE8	\$11,674,468.31	\$77,434.26	\$69,592.94	Note Section 9 Fee	\$3,638.28	\$150,665.48
FFB-4-2	BE8	\$18,906,795.50	\$122,055.00	\$121,426.17	Note Section 9 Fee	\$5,892.19	\$249,373.36
TOTALS		\$101,484,491.12	\$764,670.23	\$951,247.36		\$31,627.03	\$1,747,544.62



982,874.39

North Arkansas Electric Cooperative, Inc.

Independent Auditor's Reports and Consolidated Financial Statements

December 31, 2018 and 2017



North Arkansas Electric Cooperative, Inc.

December 31, 2018 and 2017

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Independent Auditor's Report

Board of Directors
North Arkansas Electric Cooperative, Inc.
Salem, Arkansas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of North Arkansas Electric Cooperative, Inc. (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of margins, comprehensive income, changes in equities and margins, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of North Arkansas Electric Cooperative, Inc. as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The consolidating schedules of balance sheet information and statement of margins information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated April 24, 2019, on our consideration of the Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

BKD, LLP

Little Rock, Arkansas
April 24, 2019

North Arkansas Electric Cooperative, Inc.
Consolidated Balance Sheets
December 31, 2018 and 2017

Assets

	2018	2017
Utility Plant, at Cost		
Electric plant in service	\$ 254,176,173	\$ 241,709,766
Telecommunications plant in service	1,713,778	698,217
Construction work in progress	2,649,348	7,489,433
	<u>258,539,299</u>	<u>249,897,416</u>
Less accumulated depreciation	90,300,254	85,915,357
	<u>168,239,045</u>	<u>163,982,059</u>
 Other Property and Investments, at Cost		
Nonutility property	3,000	3,000
Investments in associated enterprises	27,311,014	27,599,800
Notes receivable	1,561,205	1,192,136
Due from federal and state governments	1,347,261	2,855,857
	<u>30,222,480</u>	<u>31,650,793</u>
 Current Assets		
Cash and cash equivalents	34,712,304	31,287,452
Accounts receivable, less allowance for doubtful accounts; 2018 – \$83,862; 2017 – \$68,763	6,984,428	6,498,715
Notes receivable	-	493,571
Due from federal and state governments	500,000	500,000
Other accounts receivable, less allowance for doubtful accounts; 2018 – \$14,266; 2017 – \$15,366	409,111	279,938
Interest receivable	109,341	101,303
Materials and supplies	2,167,038	2,013,325
Prepaid expenses	105,169	120,568
Deferred cost of power	2,189,282	2,470,201
	<u>47,176,673</u>	<u>43,765,073</u>
 Deferred Debits	<u>1,437,610</u>	<u>1,797,013</u>
 Total assets	 <u>\$ 247,075,808</u>	 <u>\$ 241,194,938</u>

See Notes to Consolidated Financial Statements

Liabilities and Equities

	2018	2017
Equities and Margins		
Membership fees	\$ 703,713	\$ 700,665
Patronage capital	93,448,600	91,005,723
Other equities	3,327,499	3,813,319
Donated capital	1,840	1,840
Accumulated other comprehensive income (loss) – postretirement benefits	654,084	(3,095,732)
	<u>98,135,736</u>	<u>92,425,815</u>
 Long-term Debt		
FFB	97,755,896	94,755,910
CFC	13,769,478	15,842,845
	<u>111,525,374</u>	<u>110,598,755</u>
 Current Liabilities		
Current maturities of long-term debt	2,073,441	2,313,910
Accounts payable	6,231,434	4,183,571
Accrued taxes	1,598,532	1,538,472
Accrued interest	83,670	1,141,874
Accrued vacation and sick leave	1,731,529	1,706,483
Accrued payroll	370,801	322,768
Consumer deposits	1,282,209	1,255,816
Deferred revenue	87,055	59,975
Patronage capital payable	1,640,985	1,010,893
Current provision for postretirement benefits	661,000	641,000
Other current liabilities	408,601	-
Total current liabilities	<u>16,169,257</u>	<u>14,174,762</u>
 Deferred Credits and Other Liabilities		
Accrued postretirement benefit cost	20,549,361	23,323,997
Consumer advances for construction	696,080	671,609
	<u>21,245,441</u>	<u>23,995,606</u>
Total liabilities and equities	<u>\$ 247,075,808</u>	<u>\$ 241,194,938</u>

North Arkansas Electric Cooperative, Inc.
Consolidated Statements of Margins
Years Ended December 31, 2018 and 2017

	2018	2017
Operating Revenue	\$ 70,424,457	\$ 64,287,741
Operating Expenses		
Purchased power	34,908,894	34,088,547
Transmission	63,493	122,840
Operation	4,883,720	3,666,963
Maintenance	6,994,251	6,316,292
Consumer accounts	2,788,290	2,769,848
Consumer service and information	835,865	682,777
Administrative and general	4,776,821	4,299,866
Depreciation	7,248,270	6,874,672
	<u>62,499,604</u>	<u>58,821,805</u>
Operating Margins Before Fixed Charges	7,924,853	5,465,936
Fixed Charges		
Interest on long-term debt	<u>4,643,538</u>	<u>4,478,827</u>
Operating Margins After Fixed Charges	3,281,315	987,109
G & T and Other Capital Credits	<u>1,178,854</u>	<u>1,130,493</u>
Net Operating Margins	<u>4,460,169</u>	<u>2,117,602</u>
Nonoperating Income (Expense)		
Interest income	1,966,381	1,705,447
Other	<u>520,449</u>	<u>(110,758)</u>
	<u>2,486,830</u>	<u>1,594,689</u>
Net Margins	<u><u>\$ 6,946,999</u></u>	<u><u>\$ 3,712,291</u></u>

North Arkansas Electric Cooperative, Inc.
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Net Margins	\$ 6,946,999	\$ 3,712,291
Other Comprehensive Income		
Change in funded status of postretirement benefit obligation	<u>3,749,816</u>	<u>1,068,976</u>
Comprehensive Income	<u>\$ 10,696,815</u>	<u>\$ 4,781,267</u>

North Arkansas Electric Cooperative, Inc.
Consolidated Statements of Changes in Equities and Margins
Years Ended December 31, 2018 and 2017

	Patronage Capital	Membership Fees	Other Equities	Donated Capital	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2017	\$ 89,235,172	\$ 696,465	\$ 3,938,600	\$ 1,840	\$ (4,164,708)	\$ 89,707,369
Net margins for the year ended December 31, 2017	4,060,066	-	(347,775)	-	-	3,712,291
Change in membership fees	-	4,200	-	-	-	4,200
Change in other equities	-	-	222,494	-	-	222,494
Retirement of capital credits	(2,289,515)	-	-	-	-	(2,289,515)
Change in accumulated other comprehensive income – postretirement benefits	-	-	-	-	1,068,976	1,068,976
Balance, December 31, 2017	91,005,723	700,665	3,813,319	1,840	(3,095,732)	92,425,815
Net margins for the year ended December 31, 2018	7,592,382	-	(645,383)	-	-	6,946,999
Change in membership fees	-	3,048	-	-	-	3,048
Changes in other equities	-	-	159,563	-	-	159,563
Retirement of capital credits	(5,149,505)	-	-	-	-	(5,149,505)
Change in accumulated other comprehensive loss – postretirement benefits	-	-	-	-	3,749,816	3,749,816
Balance, December 31, 2018	<u>\$ 93,448,600</u>	<u>\$ 703,713</u>	<u>\$ 3,327,499</u>	<u>\$ 1,840</u>	<u>\$ 654,084</u>	<u>\$ 98,135,736</u>

North Arkansas Electric Cooperative, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Operating Activities		
Net margins	\$ 6,946,999	\$ 3,712,291
Items not requiring (providing) cash		
Depreciation	7,248,270	6,874,672
Capital credits	(1,178,854)	(1,131,838)
Amortization of Retirement Security (RS) Plan prepayment	359,402	359,402
Interest earned applied to cushion of credit	(332,702)	(592,733)
Changes in		
Accounts receivable	(614,886)	(113,124)
Due from federal and state governments	1,508,596	500,158
Other current assets	7,361	(55,261)
Accounts payable and accrued expenses	2,321,054	(374,628)
Deferred revenue	27,081	23,475
Deferred credits	24,471	(80,249)
Deferred cost of power	280,919	256,475
Customer deposits	26,393	47,255
Accumulated postretirement benefits	995,180	1,156,611
Net cash provided by operating activities	<u>17,619,284</u>	<u>10,582,506</u>
Investing Activities		
Extension and replacement of plant	(10,878,015)	(14,228,613)
Net salvage (cost of removal)	(780,954)	(713,118)
Change in investments in associated enterprises	1,467,640	1,428,629
Principal payments received – notes receivable	594,655	493,571
Issuance of notes receivable	<u>(470,153)</u>	<u>(574,363)</u>
Net cash used in investing activities	<u>(10,066,827)</u>	<u>(13,593,894)</u>
Financing Activities		
Increase in memberships	3,048	4,200
Payments on long-term debt	(2,313,836)	(2,772,773)
Borrowings on long-term debt	-	19,500,000
Deposits into cushion of credit	(1,700,000)	(3,500,000)
Interest payments applied from cushion of credit	5,032,688	3,644,938
Retirement of capital credits	<u>(5,149,505)</u>	<u>(2,289,515)</u>
Net cash provided by (used in) financing activities	<u>(4,127,605)</u>	<u>14,586,850</u>
Increase in Cash and Cash Equivalents	3,424,852	11,575,462
Cash and Cash Equivalents, Beginning of Year	<u>31,287,452</u>	<u>19,711,990</u>
Cash and Cash Equivalents, End of Year	<u>\$ 34,712,304</u>	<u>\$ 31,287,452</u>
Supplemental Cash Flows Information		
Interest paid (including amounts paid from cushion of credit)	\$ 5,701,742	\$ 4,372,868

See Notes to Consolidated Financial Statements

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The accounts of North Arkansas Electric Cooperative, Inc. (the Cooperative) are maintained substantially in accordance with the system of accounts prescribed by the United States Department of Agriculture Rural Utilities Service (RUS), which does not materially differ from accounting principles generally accepted in the United States of America.

Nature of Operations

The Cooperative sells electric power to its members. The Cooperative's main office is in Salem, Arkansas, with branch offices in Mountain Home and Ash Flat, Arkansas. The Cooperative extends unsecured credit for services provided to customers for limited periods not exceeding 30 days.

Principles of Consolidation

The consolidated financial statements include the accounts of North Arkansas Electric Cooperative, Inc. and NEXT Powered by NAEC, LLC (NEXT). NEXT was created during 2016 to provide broadband services to members of the Cooperative. NEXT is also a reseller of video and digital voice services. The subsidiary's main office is in Salem, Arkansas.

All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Cooperative considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2018 and 2017, cash equivalents consisted primarily of interest-bearing advances to Arkansas Electric Cooperative Corporation and Arkansas Electric Cooperative, Inc., which are secured by promissory notes.

At December 31, 2018 and 2017, the Cooperative's cash accounts exceeded federally insured limits by approximately \$1,288,000 and \$557,000, respectively.

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Plant and Related Depreciation

All utility plant is stated at original cost. The cost of additions to utility plant includes contractual work, direct labor, materials and allocable overhead. Listed below are the major classes of utility plant as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Transmission plant	\$ 12,813,687	\$ 9,590,011
Distribution plant	208,338,134	201,996,464
General plant	33,024,352	30,123,291
Telecommunications plant	<u>1,713,778</u>	<u>698,217</u>
Electric plant in service	255,889,951	242,407,983
Construction work in progress	<u>2,649,348</u>	<u>7,489,433</u>
	<u>\$ 258,539,299</u>	<u>\$ 249,897,416</u>

All assets are pledged as security for long-term debt to RUS, the Federal Financing Bank (FFB) and National Rural Utilities Cooperative Finance Corporation (CFC) (*Note 6*). The costs of units of property retired, replaced or renewed are removed from utility plant; such costs plus removal costs, less salvage, are charged to accumulated depreciation. Maintenance and repairs of property and replacement and renewal of items determined to be less than complete units of plant are charged to operating expenses. Provisions have been made for annual composite depreciation of transmission and distribution plant at a rate of 2.75% and 2.80% to 12.50%, respectively. General plant annual depreciation rates are applied on a straight-line composite basis as follows:

Structures and improvements	2.00%	Load control equipment	5.00%
Transportation equipment	15.00%	Office equipment	
Power-operated equipment	11.00%	Furniture	5.50%
Communication equipment	6.00%	Machines	8.00%
Other general plant	4.60% to 20.00%	Data processing	12.50%

Useful lives for telecommunications plant are as follows:

Tools and other equipment	10–15 years
General purpose computers	10 years

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Accounts Receivable

Accounts receivable are stated at the amount billed to customers. The Cooperative provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 15 days after the issuance of the invoice. Accounts more than seven days past due are considered delinquent. The board of directors authorizes the amount of delinquent receivables to be written off based on the list of uncollectible disconnected accounts and specific circumstances of the customer.

Materials and Supplies

All inventories, consisting of materials and supplies, are valued at moving average cost and include freight-in.

Revenue Recognition

Revenue from the sale of the Cooperative's electricity is recognized as the estimated amount applicable to electricity delivered to customers during the period, whether or not the meters have been read and bills rendered. Accrued unbilled revenue balances are included in accounts receivable on the consolidated balance sheets.

Taxes collected on behalf of state and local governments are not included in gross revenues.

Purchased Power

The energy generation, fuel adjustment adder, and regional transmission organization rider charges included in the cost of power for the final month of each fiscal year are deferred and not recognized until the following month when these charges are billed to consumers.

Income Taxes

The Cooperative has been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state laws. As such, it is required to file IRS Form 990 on an annual basis. With few exceptions, the Cooperative is no longer subject to U.S. federal income tax examinations by taxing authorities for years before 2016.

NEXT accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. NEXT determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur.

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term “more likely than not” means a likelihood of more than 50%; the terms “examined” and “upon examination” also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management’s judgment.

Investments in Associated Enterprises

The investments in associated enterprises consist of common stock and capital term certificates, at cost, plus the Cooperative’s share of the organizations’ allocated equities less patronage refunds. Patronage allocations are reflected in the consolidated statements of margins as capital credits.

Long-Lived Asset Impairment

The Cooperative evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2018 and 2017.

Comprehensive Income

Comprehensive income consists of net margins and other comprehensive income, which includes changes in the funded status of the other postemployment benefit plan.

Subsequent Events

In March 2019, the Cooperative executed a 20-year solar power agreement with Today’s Power, Inc. (TPI) and prepaid TPI for the solar services in the amount of approximately \$1.4 million.

Subsequent events have been evaluated through the April 24, 2019, which is the date the consolidated financial statements were available to be issued.

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Note 2: Detail of Patronage Capital and Other Equities

	<u>2018</u>	<u>2017</u>
Patronage capital		
Assigned	\$ 122,348,477	\$ 118,288,411
Retired	(36,492,259)	(31,342,754)
Assignable	<u>7,592,382</u>	<u>4,060,066</u>
	<u>\$ 93,448,600</u>	<u>\$ 91,005,723</u>
Other equities		
Capital gains and losses	\$ 4,429,799	\$ 4,270,236
Investment in subsidiary	(1,130,073)	(484,690)
Other margins	<u>27,773</u>	<u>27,773</u>
	<u>\$ 3,327,499</u>	<u>\$ 3,813,319</u>

RUS mortgages generally prohibit the distribution of accumulated patronage capital unless, after any such distributions, total equity will be equal to at least 30% of total assets, except that distributions may be made of up to 25% of the net margin for the preceding calendar year. The equities and margins of the Cooperative represent 40% and 38% of total assets at December 31, 2018 and 2017, respectively.

Note 3: Investments in Associated Enterprises

	<u>2018</u>	<u>2017</u>
Capital term certificates issued by National Rural Utilities Cooperative Finance Corporation (CFC)	\$ 1,376,658	\$ 1,394,588
Arkansas Electric Cooperative Corporation (AECC) and Arkansas Electric Cooperatives, Inc. (AECI)	24,698,954	25,049,870
CFC patronage capital credits	649,953	616,164
Other	<u>585,449</u>	<u>539,178</u>
	<u>\$ 27,311,014</u>	<u>\$ 27,599,800</u>

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Note 4: Deferred Debits

During 2013, the Cooperative elected to make a voluntary contribution to the RS Plan of \$3,594,026. Under the prepayment plan offered by NRECA, the Cooperative expects to qualify for reduced premiums on its RS Plan contributions for approximately 10 years. The prepayment is recorded as a deferred debit on the consolidated balance sheets and is being amortized over approximately 10 years, which is the average estimated remaining service life of RS Plan participants. Annual amortization is \$359,402. The remaining unamortized balance was \$1,437,610 and \$1,797,013 as of December 31, 2018 and 2017, respectively.

Note 5: Line of Credit

The Cooperative has a \$5,000,000 emergency line of credit with CFC with a variable interest rate (3.00% and 2.35% at December 31, 2018 and 2017, respectively). As of December 31, 2018 and 2017, there were no amounts borrowed against this line. The line of credit is collateralized by substantially all assets of the Cooperative.

Note 6: Long-term Debt

	2018	2017
Mortgage notes payable, CFC ^(A)	\$ 15,842,844	\$ 18,156,755
Mortgage notes payable, FFB ^(B)	97,755,971	94,755,910
	113,598,815	112,912,665
Less current maturities	2,073,441	2,313,910
	<u>\$ 111,525,374</u>	<u>\$ 110,598,755</u>

(A) Due through 2030; payable approximately \$700,000 quarterly, including interest at various rates from 2.85% to 6.80%; secured by all assets.

(B) Due through 2046; payable approximately \$1,700,000 quarterly, including interest at various rates from 2.391% to 5.209%; secured by all assets. Outstanding principal amount shown is net of cushion of credit deposits of \$3,728,595 and \$10,437,382 at December 31, 2018 and 2017, respectively. Principal paid on RUS and FFB debt from the cushion of credit was \$3,708,801 and \$2,354,290 for the years ended December 31, 2018 and 2017, respectively.

Interest paid on RUS and FFB debt from the cushion of credit was \$5,032,688 and \$3,644,939 for the years ended December 31, 2018 and 2017, respectively. Interest earned on these deposits of \$332,702 and \$592,733 for the years ended December 31, 2018 and 2017, respectively, is included in nonoperating interest income.

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Aggregate annual maturities of long-term debt at December 31, 2018, were:

2019	\$ 2,073,441
2020	4,648,025
2021	4,648,440
2022	5,614,250
2023	5,376,269
Thereafter	<u>91,238,390</u>
	<u>\$ 113,598,815</u>

Note 7: Income Taxes

NEXT files income tax returns in the U.S. federal jurisdiction and in Arkansas.

NEXT recognizes interest and penalties on income taxes as a component of income tax expense, when applicable. During the year ended December 31, 2018, NEXT recognized no interest or penalties.

A reconciliation of income tax expense (benefit) at the statutory rate to NEXT's actual income tax expense, which was \$0 at December 31, 2018 and 2017, is shown below:

	<u>2018</u>	<u>2017</u>
Computed at the statutory rate (21%)	\$ (135,530)	\$ (73,033)
Increase (decrease) resulting from		
Nondeductible travel and meals	98	-
Other	(8,545)	20,357
Enacted changes in tax law related to prior year		
deferred tax assets	-	(16,605)
Changes in the deferred tax asset valuation allowance	<u>143,977</u>	<u>69,281</u>
Actual tax (benefit) expense	<u>\$ -</u>	<u>\$ -</u>

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

The tax effects of temporary differences related to deferred taxes shown on the consolidated balance sheets were:

	2018	2017
Deferred tax assets		
Net operating loss carryforwards	\$ 519,600	\$ 200,210
Bad debt allowance	2,600	-
Accrued vacation	5,200	-
	<u>527,400</u>	<u>200,210</u>
Deferred tax liabilities		
Depreciation	(272,000)	(84,287)
Amortization	5,900	-
Prepaid expenses	(1,400)	-
	<u>(267,500)</u>	<u>(84,287)</u>
Net deferred tax asset before valuation allowance	<u>259,900</u>	<u>115,923</u>
Valuation allowance		
Beginning balance	(115,923)	(46,642)
(Increase) decrease during the period	<u>(143,977)</u>	<u>(69,281)</u>
Ending balance	<u>(259,900)</u>	<u>(115,923)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2018 and 2017, NEXT has unused federal and state operating loss carryforwards of approximately \$2,122,391 and \$806,890, respectively.

Note 8: Pension, Postretirement and Profit-Sharing Plans

Pension and Other Postretirement Benefit Plans

Retirement benefits for substantially all employees are provided through participation in the National Rural Electric Cooperative Association (NRECA) Retirement Security Plan (RS Plan) (a defined benefit pension plan) and a 401(k) plan. The RS Plan is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards.

A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

The Cooperative's contributions to the RS Plan in 2018 and in 2017 represented less than 5% of the total contributions made to the plan by all participating employers. There have been no significant changes that affect the comparability of 2018 and 2017 contributions.

In the RS Plan, a "zone status" determination is not required and, therefore, not determined under the *Pension Protection Act of 2006* (PPA). In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. The RS Plan's funding percentages, as of the most recent dates available, are listed in the table below. The funding percentages are based on information provided to the Cooperative by the RS Plan's sponsor.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

The Cooperative's participation in the RS Plan for the annual period of December 31, 2018, is outlined in the table below:

Pension Fund	EIN/Pension Plan Number	Funding Percentage of the RS Plan		Contributions of the Cooperative During the Year Ended December 31		
		12/31/2018	12/31/2017	2018	2017	2016
Retirement Security Plan, sponsored by NRECA	53-0116145-333	Over 80%	Over 80%	\$1,509,572	\$1,431,298	\$1,299,274

In addition to providing pension benefits, the Cooperative has a noncontributory defined benefit postretirement health care plan covering all employees who meet the eligibility requirements. The Cooperative's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Cooperative may determine to be appropriate from time to time. The Cooperative expects to contribute approximately \$661,000 to the postretirement health care plan in 2019.

The Cooperative uses a December 31 measurement date for the postretirement health care plan. Information about the postretirement health care plan's funded status follows:

	2018	2017
Benefit obligation	\$ 21,210,361	\$ 23,964,997
Fair value of plan assets	-	-
Underfunded status	<u>\$ 21,210,361</u>	<u>\$ 23,964,997</u>

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Liabilities recognized in the consolidated balance sheets:

	<u>2018</u>	<u>2017</u>
Current provision for postretirement benefits	\$ 408,601	\$ -
Accrued postretirement benefit cost	<u>20,549,361</u>	<u>23,323,997</u>
	<u>\$ 20,957,962</u>	<u>\$ 23,323,997</u>

Amounts recognized in accumulated other comprehensive income (loss) not yet recognized as components of net periodic benefit cost as of December 31, 2018 and 2017, consist of:

	<u>2018</u>	<u>2017</u>
Other comprehensive	\$ (654,084)	\$ 3,095,732

Other significant balances and costs are:

	<u>2018</u>	<u>2017</u>
Employer contributions	\$ 627,009	\$ 614,485
Benefit costs	1,622,189	1,771,097

Other changes in plan assets and benefit obligations recognized in other comprehensive income:

	<u>2018</u>	<u>2017</u>
Amounts arising during period:		
Net loss	\$ 3,686,240	\$ 907,433
Amounts reclassified as components of net periodic cost of the period:		
Amortization of unrecognized net loss	<u>63,576</u>	<u>161,543</u>
	<u>\$ 3,749,816</u>	<u>\$ 1,068,976</u>

The estimated net loss for the defined benefit postretirement plan that will be amortized from accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year is \$0.

The assumptions used to determine the benefit obligation and the net benefit cost are as follows for the years ended December 31:

	<u>2018</u>	<u>2017</u>
Weighted-average discount rate	4.50%	4.00%

North Arkansas Electric Cooperative, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

2019	\$ 661,000
2020	717,000
2021	783,000
2022	852,000
2023	887,000
2024–2028	4,929,000

For measurement purposes, an 8% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2019. The rate was assumed to decrease by 0.5% each year, beginning 2021, to the ultimate rate of 5.0% and remain at that level thereafter. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

Profit-Sharing Plan

The Cooperative's 401(k) profit-sharing plan covers substantially all employees. Participants are allowed to contribute up to the maximum allowed by the IRS. The Cooperative matches contributions up to 3% of base salary for employees that entered the plan before April 1, 2006, and 7% of base salary for employees that entered the plan after April 1, 2006. The cost associated with the plan was \$325,319 and \$309,148 for the years ended December 31, 2018 and 2017, respectively.

Note 9: Related Party Transactions

The Cooperative, along with other electric distribution cooperatives in Arkansas, is a member (and, therefore, part owner) of Arkansas Electric Cooperative Corporation (AECC) (generating and transmission) and Arkansas Electric Cooperatives, Inc. (AECI) (distribution of goods and services). The Cooperative purchases virtually all of its power from AECC and purchases substantial goods and services from AECI. The following are the transactions involving these companies for the years ended December 31, 2018 and 2017:

	2018	2017
AECI purchases	\$ 2,120,451	\$ 1,578,788
AECC power purchases	34,627,975	34,088,547
AECC other purchases	1,495	4,995
AECI payable at year-end	941,966	86,675
AECC payable at year-end	2,927,657	3,365,255
Year-end balance of interest-bearing advances to AECC	23,454,569	10,817,360
Year-end balance of interest-bearing advances to AECI	496,964	485,683

North Arkansas Electric Cooperative, Inc.

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Purchased Power Agreement

Under its wholesale power agreement, the Cooperative is committed to purchase its electric power and energy requirements from AECC. The rates paid for such purchases are subject to review annually.

Other Postretirement Benefit Obligation

Information concerning the other postretirement benefit obligation is disclosed in *Note 8*.

Supplementary Information

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Directors
North Arkansas Electric Cooperative, Inc.
Salem, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of North Arkansas Electric Cooperative, Inc. (the Cooperative), which comprise the consolidated balance sheet as of December 31, 2018, and the related consolidated statements of margins, comprehensive income, changes in equities and margins and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 24, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Cooperative's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cooperative's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Cooperative's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cooperative's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Little Rock, Arkansas
April 24, 2019

Other Information

North Arkansas Electric Cooperative, Inc.
Consolidating Schedule – Balance Sheet Information
December 31, 2018

Assets

	North Arkansas Electric Cooperative, Inc.	NEXT Powered by NAEC, LLC	Eliminating Entries	Consolidated
Utility Plant, at Cost				
Electric plant in service	\$ 254,176,173	\$ -	\$ -	\$ 254,176,173
Telecommunications plant in service	-	1,713,778	-	1,713,778
Construction work in progress	2,637,196	12,152	-	2,649,348
	256,813,369	1,725,930	-	258,539,299
Less accumulated depreciation	90,126,365	173,889	-	90,300,254
	166,687,004	1,552,041	-	168,239,045
Other Property and Investments, at Cost				
Nonutility property	3,000	-	-	3,000
Investments in associated enterprises	28,676,966	-	(1,365,952)	27,311,014
Investment in subsidiary	(1,129,973)	-	1,129,973	-
Notes receivable	1,561,205	-	-	1,561,205
Intercompany line of credit	1,075,864	-	(1,075,864)	-
Due from federal and state governments	1,347,261	-	-	1,347,261
	31,534,323	-	(1,311,843)	30,222,480
Current Assets				
Cash and cash equivalents	34,654,694	57,610	-	34,712,304
Accounts receivable, less allowance for doubtful accounts	6,889,509	95,404	(485)	6,984,428
Notes receivable	-	-	-	-
Due from federal and state governments	500,000	-	-	500,000
Intercompany receivable	-	10,842	(10,842)	-
Other accounts receivable, less allowance for doubtful accounts	409,111	-	-	409,111
Interest receivable	109,341	-	-	109,341
Materials and supplies	2,033,247	133,791	-	2,167,038
Prepaid expenses	67,041	38,128	-	105,169
Deferred cost of power	2,189,282	-	-	2,189,282
Total current assets	46,852,225	335,775	(11,327)	47,176,673
Deferred Debits	1,437,610	-	-	1,437,610
Total assets	\$ 246,511,162	\$ 1,887,816	\$ (1,323,170)	\$ 247,075,808

North Arkansas Electric Cooperative, Inc.
Consolidating Schedule – Balance Sheet Information (Continued)
December 31, 2018

Liabilities and Equities

	North Arkansas Electric Cooperative, Inc.	NEXT Powered by NAEC, LLC	Eliminating Entries	Consolidated
Equities and Margins				
Membership fees	\$ 703,713	\$ -	\$ -	\$ 703,713
Patronage capital	93,448,600	-	-	93,448,600
Other equities	3,327,499	(1,130,073)	1,130,073	3,327,499
Members' capital	-	1,366,052	(1,366,052)	-
Donated capital	1,840	-	-	1,840
Accumulated other comprehensive income (loss) – postretirement benefits	654,084	-	-	654,084
	<u>98,135,736</u>	<u>235,979</u>	<u>(235,979)</u>	<u>98,135,736</u>
Long-term Debt				
FFB	97,755,896	-	-	97,755,896
CFC	13,769,478	-	-	13,769,478
Intercompany line of credit	-	872,904	(872,904)	-
	<u>111,525,374</u>	<u>872,904</u>	<u>(872,904)</u>	<u>111,525,374</u>
Current Liabilities				
Current maturities of long-term debt	2,073,441	-	-	2,073,441
Accounts payable	5,792,097	457,017	(17,680)	6,231,434
Accrued taxes	1,583,456	15,076	-	1,598,532
Accrued interest	83,670	104,205	(104,205)	83,670
Accrued vacation and sick leave	1,711,615	19,914	-	1,731,529
Accrued payroll	356,695	14,106	-	370,801
Intercompany payable	10,842	81,560	(92,402)	-
Consumer deposits	1,282,209	-	-	1,282,209
Deferred revenue	-	87,055	-	87,055
Patronage capital payable	1,640,985	-	-	1,640,985
Current provision for postretirement benefits	661,000	-	-	661,000
Other current liabilities	408,601	-	-	408,601
Total current liabilities	<u>15,604,611</u>	<u>778,933</u>	<u>(214,287)</u>	<u>16,169,257</u>
Deferred Credits and Other Liabilities				
Accrued postretirement benefit cost	20,549,361	-	-	20,549,361
Consumer advances for construction	696,080	-	-	696,080
	<u>21,245,441</u>	<u>-</u>	<u>-</u>	<u>21,245,441</u>
Total liabilities and equities	<u>\$ 246,511,162</u>	<u>\$ 1,887,816</u>	<u>\$ (1,323,170)</u>	<u>\$ 247,075,808</u>

North Arkansas Electric Cooperative, Inc.
Consolidating Schedule – Statement of Margins Information
Year Ended December 31, 2018

	North Arkansas Electric Cooperative, Inc.	NEXT Powered by NAEC, LLC	Eliminating Entries	Consolidated
Operating Revenue	\$ 69,922,501	\$ 902,073	\$ (400,117)	\$ 70,424,457
Operating Expenses				
Purchased power	34,908,894	-	-	34,908,894
Transmission	63,493	-	-	63,493
Operation	3,927,106	956,614	-	4,883,720
Maintenance	6,994,251	-	-	6,994,251
Consumer accounts	2,788,290	-	-	2,788,290
Consumer service and information	657,083	178,782	-	835,865
Administrative and general	4,570,878	254,208	(48,265)	4,776,821
Depreciation	7,145,865	102,405	-	7,248,270
	61,055,860	1,492,009	(48,265)	62,499,604
Operating Margins Before Fixed Charges	8,866,641	(589,936)	(351,852)	7,924,853
Fixed Charges				
Interest on long-term debt	4,643,538	55,447	(55,447)	4,643,538
Operating Margins After Fixed Charges	4,223,103	(645,383)	(296,405)	3,281,315
G & T and Other Capital Credits	1,178,854	-	-	1,178,854
Net Operating Margins	5,401,957	(645,383)	(296,405)	4,460,169
Nonoperating Income (Expenses)				
Interest income	2,021,828	-	(55,447)	1,966,381
Net margins from subsidiary	(645,383)	-	645,383	-
Other	168,597	-	351,852	520,449
	1,545,042	-	941,788	2,486,830
Net Margins	\$ 6,946,999	\$ (645,383)	\$ 645,383	\$ 6,946,999

Report on Compliance with Aspects of Contractual Agreements and Regulatory Requirements for Electric Borrowers Independent Auditor's Report

Board of Directors
North Arkansas Electric Cooperative, Inc.
Salem, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of North Arkansas Electric Cooperative, Inc. (the Cooperative), which comprise the consolidated balance sheet as of December 31, 2018, and the related statements of margins, comprehensive income, statement of changes in equities and margins, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 24, 2019. In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2019, on our consideration of the Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. No reports other than the reports referred to above and our required communications with the Board of Directors dated April 24, 2019, under auditing standards generally accepted in the United States of America have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of its loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service (RUS) Borrowers*, §1773.33 and the clarified RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters.

In connection with our audit, we noted no matters regarding the Cooperative's accounting records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts
- Reconcile continuing property records to the controlling general ledger plant accounts
- Clear construction accounts and accrue depreciation on completed construction; record and properly price the retirement of plant

- Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material or scrap
- Maintain adequate control over materials and supplies
- Prepare accurate and timely Financial and Operating Reports
- Obtain written RUS approval to enter into any contract for the management, operation or maintenance of the borrower's system if the contract covers all or substantially all of the electric system
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles
- Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures)
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits
- Comply with the requirements for the detailed schedule of investments

This report is intended solely for the information and use of the board of directors, management, the RUS and supplemental lenders and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BKD, LLP

Little Rock, Arkansas
April 24, 2019

Dear Member,

Once again, North Arkansas Electric Cooperative continued its commitment to member service in a financially responsible manner. Our operating margins of \$4,221,465 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 38.2 percent at the end of the year. Members were refunded \$5,149,337 in cash to redeem patronage capital credits. The 2018 redemption brings the total capital credits refunded to members to \$36,492,065.

System statistics of interest include: average meters served, 36,834, a net increase of 183 meters; more than 4,993 miles of power lines; 1,443 average monthly kilowatt-hours used by members, up 154 kilowatt-hours from the previous year; a system peak demand of 199,600 kilowatts, recorded in the month of January; and a net plant valuation of \$166,687,002 at year's end.

Additional financial data and operations information is available in this annual report. If you have any questions concerning your electric cooperative, we are happy to answer them.

Michael Dover

Michael Dover, President

Beth Carter

Beth Carter, Secretary-Treasurer

Mel Coleman

Mel Coleman, Chief Executive Officer

Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of North Arkansas Electric Cooperative, Inc. will be held on Thursday, June 6, 2019, at the Fulton County Fairgrounds in Salem, Arkansas, beginning at 1:30 p.m., with the business session beginning promptly at 7 p.m.

Beth Carter, Secretary-Treasurer

Beth Carter

Dated at Salem, Arkansas, this 15th day of May
2019



**North Arkansas
Electric Cooperative, Inc.**

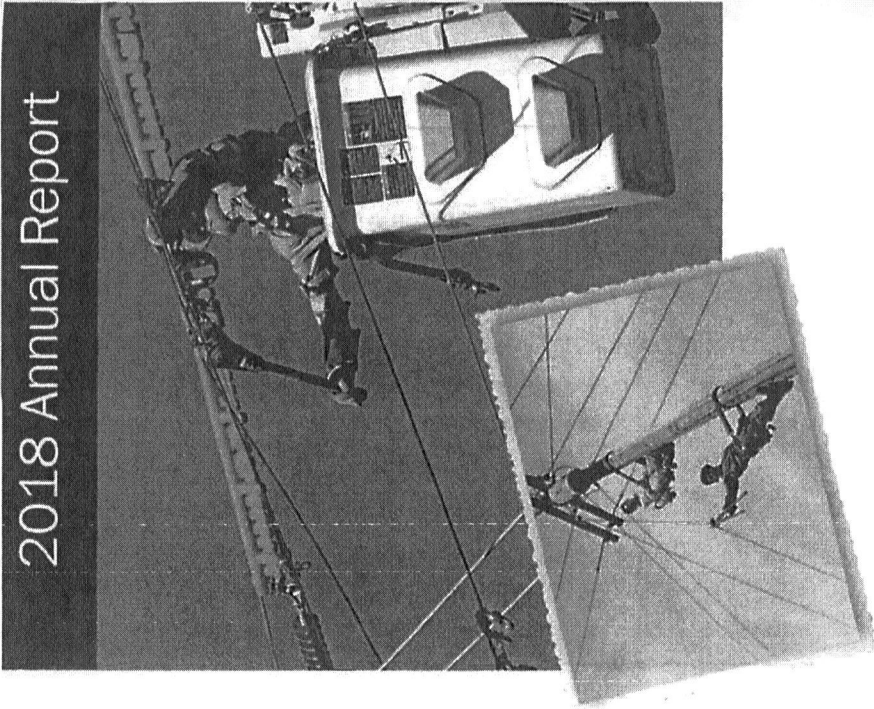
A Touchstone Energy® Cooperative



Annual Meeting Program

Registration	1:30 p.m. - 6:45 p.m.
Bingo	1:30 p.m. - 3:30 p.m.
Entertainment	4:15 p.m. - 6:45 p.m.
Barbecue Meal	4:15 p.m.
Business Meeting	7 p.m.

2018 Annual Report



**A POWERFUL
HISTORY OF
POWERING YOUR
FUTURE.**



**North Arkansas
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative



A POWERFUL HISTORY OF POWERING YOUR FUTURE.

North Arkansas Electric Cooperative is much more than just the "local electric company." Our cooperative business model centers around seven principles: voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community. These principles guide NAEC and the state's other electric cooperatives. As a not-for-profit business, NAEC is motivated to serve you — our local members — not out-of-state stockholders.

The Power to Serve Your Home

North Arkansas Electric Cooperative is committed to promoting the efficient use of electricity to meet the growing energy requirements of members. Educating members about the efficient use of energy resources helps you manage energy costs and helps protect natural resources. Our goal is to help you save money without sacrificing comfort or convenience. Our Energy Efficiency and Conservation Loan Program helps qualified members make that happen. Apply for the EECLP loan or find energy efficiency steps you can take at www.naeci.com or by calling 870-895-3221.

The Power to Serve As Your Voice

Our business model has guided North Arkansas Electric Cooperative through many years of growth and change. And, since the formation of your local electric cooperative, we have worked as advocates

for our members. North Arkansas Electric Cooperative knows this is more important than ever as we work together to provide you with reliable, affordable electricity in a responsible manner.

The Power to Serve Your Community

Almost 80 years ago, Arkansas' electric cooperatives took on a great challenge to not just be in the business of electricity but also to serve the greater purpose of making lives and communities better. North Arkansas Electric Cooperative sponsors community fundraising and assists with economic development and service events, and employees devote hundreds of volunteer hours to community organizations and projects.

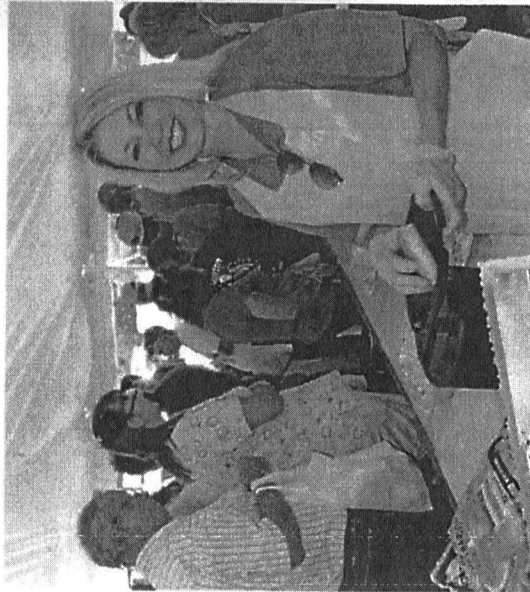
The Power to Serve Your Farm and Business

North Arkansas Electric Cooperative works with new and existing businesses to support economic opportunities and improve the quality of life throughout our service area. North Arkansas Electric Cooperative's directors and employees serve as advocates for the farms and businesses with their local, state and federal officials.

The Power to Serve Youth Programs

AECI helps prepare today's youth for leadership by partnering with 4-H and FFA and sponsoring teenagers on the Youth Tour to Washington, D.C., and STEM-oriented educational programs.

The Power to Serve Arkansas
Collectively, Arkansas' local electric cooperatives represent the largest private business in Arkansas and serve more than 1.2 million members. This success is powered by directors and employees who understand and implement the member-owned business model that allows us to focus on serving the needs of our members. This mission and structure is the essence and lifeblood of the electric cooperative business model and community. Employees of North Arkansas Electric Cooperative are your friends, your neighbors and your local energy partners.





A POWERFUL
HISTORY OF
POWERING YOUR
FUTURE.

2018 Annual Report

North Arkansas Electric Cooperative

REVENUE AND EXPENSE STATEMENT*

	2018	2017	2016
REVENUES			
Electric energy sales	\$68,405,925	\$62,879,654	\$62,739,612
Other electric revenue	\$1,516,575	\$1,279,333	\$1,043,994
Total Operating Revenue	\$69,922,500	\$64,158,987	\$63,783,606
EXPENSES			
Purchased power	\$34,908,894	\$34,088,547	\$31,096,611
Operation/maintenance	\$10,984,849	\$9,918,319	\$9,875,732
Depreciation	\$7,145,865	\$6,788,473	\$6,572,467
Interest on long term debt	\$4,645,176	\$4,480,172	\$4,746,733
Administrative and general	\$4,570,877	\$4,238,395	\$4,369,486
Consumer accounting/collecting/information	\$3,445,374	\$3,428,921	\$3,488,147
Total Operating Expenses	\$65,701,035	\$62,942,827	\$60,149,176

MARGINS

Operating margins	\$4,221,465	\$1,216,160	\$3,634,430
Other margins and capital credits	\$1,180,492	\$1,131,838	\$647,265
Non-operating margins	\$1,545,041	\$1,364,293	\$1,735,932
Total Margins	\$6,946,998	\$3,712,291	\$6,017,627

* As reported to USDA Rural Utilities Services and National Rural Utilities Cooperative Finance Corporation

BALANCE SHEET* As of December 31

	2018	2017	2016
ASSETS			
Net utility plant	\$166,687,002	\$163,335,144	\$155,721,265
Investments in associated enterprises	\$27,546,893	\$27,115,110	\$27,759,676
Cash and cash equivalents	\$34,654,692	\$31,276,510	\$19,709,430
Accounts receivable	\$9,470,658	\$10,560,352	\$10,719,092
Other assets	\$8,151,913	\$8,855,930	\$8,751,574
Total Assets	\$246,511,158	\$241,143,046	\$222,661,037
LIABILITIES			
Debt to RUS and CFC	\$113,598,815	\$112,912,665	\$96,659,483
Accrued liabilities	\$25,354,395	\$28,666,830	\$28,319,437
Accounts payable	\$5,802,939	\$4,199,418	\$5,196,461
Other liabilities	\$3,619,274	\$2,938,318	\$2,778,287
Total Liabilities	\$148,375,423	\$148,717,231	\$132,953,668
MEMBERS' EQUITY			
Membership fees	\$703,713	\$700,665	\$696,465
Patronage capital	\$93,448,600	\$90,521,033	\$89,098,257
Other equities	\$3,983,422	\$1,204,117	\$(87,353)
Total Net Worth	\$98,135,735	\$92,425,815	\$89,707,369
Total Liabilities & Net Worth	\$246,511,158	\$241,143,046	\$222,661,037

* As reported to USDA Rural Utilities Services and National Rural Utilities Cooperative Finance Corporation

NAEC OFFICERS & DIRECTORS

Michael Dover

President

Jasper "Doc" Freeman

Vice President

Beth Carter

Secretary-Treasurer

Sonya Beckwith

Director

Cameron Davis

Director

Larry Goodwin

Director

Steve Hall

Director

Jim Short

Director

Dennis Wiles

Director

Mel Coleman

Chief Executive Officer

THE REVENUE DOLLAR

2018 2017 2016

HOW IT WAS EARNED

Residential	\$49,763,512	\$44,793,187	\$45,258,192
Commercial/Industrial	\$18,476,809	\$17,920,095	\$17,321,317
Street/highway lighting	\$165,604	\$166,372	\$160,103
Miscellaneous	\$1,516,575	\$1,279,333	\$1,043,994
Total	\$69,992,500	\$64,158,987	\$63,783,606

HOW IT WAS USED

Purchased power	\$34,908,894	\$34,088,547	\$31,096,611
Operation/maintenance	\$10,984,849	\$9,918,319	\$9,875,732
Depreciation	\$7,145,865	\$6,788,473	\$6,572,467
Interest on long term debt	\$4,645,176	\$4,480,172	\$4,746,733
Administrative and general	\$4,570,877	\$4,238,395	\$4,369,486
Consumer accounting/collecting/Information	\$3,445,374	\$3,428,921	\$3,488,147
Operating margins	\$4,221,465	\$1,216,160	\$3,634,430
Total	\$69,922,500	\$64,158,987	\$63,783,606

SYSTEM STATISTICS As of December 31

2018 2017 2016

Item

Average number of meters billed per month	36,834	36,651	36,470
Average number of meters per mile of line	7.38	7.38	7.38
Average miles of power line in operation	4,993	4,969	4,951

Total kWh bought by cooperative members	638,022,969	571,407,261	592,706,513
Average monthly kWh use per meter	1,443	1,289	1,356
Average monthly residential kWh use	1,048	903	968

Average monthly revenue per meter billed	\$154.84	\$141.98	\$143.37
Average revenue per kWh sold (\$/kWh)	0.1073	0.1101	0.1058
Average revenue per residential kWh sold (\$/kWh)	0.1161	0.1210	0.1154
Average power cost adjustment per kWh sold (\$/kWh)	0.00175	0.00235	-0.00056

Total kWh bought by cooperative	684,245,113	614,273,604	637,530,137
Total cost of power bought by cooperative	34,908,894	34,088,547	31,096,611
Average cost per kWh bought by cooperative (\$/kWh)	0.0510	0.0555	0.0488
Power (kWh) required for system operation (office use)	1,171,021	1,158,438	1,233,735
kWh unaccounted for (line loss)	45,051,123	41,707,905	43,589,889
System peak demand (kW)	199,600	162,828	173,317
Month of system peak demand	January	January	December

Counties served and property taxes paid:

Baxter	\$624,197	\$608,451	\$614,977
Fulton	\$310,586	\$300,857	\$277,041
Izard	\$190,178	\$185,618	\$188,484
Sharp	\$145,098	\$141,421	\$142,658
Marion	\$24,120	\$23,378	\$23,327
Stone	\$6,407	\$6,394	\$6,526
Lawrence	\$628	\$401	\$372
Total property taxes paid	\$1,301,214	\$1,266,520	\$1,253,385

